

# Crompton Greaves Limited

Registered Office:

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Corporate Identity Number(CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

Our Ref : COSEC/ 67/2016

July 21, 2015

To,

**The Corporate Relationship Department**  
Stock Exchange, Mumbai  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

**The Assistant Manager – Listing**  
National Stock Exchange of India  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (East)  
Mumbai 400 051

Dear Sir,

**Subject: Corrigendum to the 78<sup>th</sup> Annual Report 2014-15**

This is to inform you that in the 78<sup>th</sup> Annual Report 2014-15 on page no.75 in Annexure 6 to the Director's Report i.e. Extract of Annual Return, at "V.INDEBTEDNESS" certain inadvertent printing errors have been noticed in the 'Total Indebtedness' column. The figures in the said column should be read as follows:

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

IN RUPEES

INDEBTEDNESS AS ON 01.04.2014	SECURED LOAN EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
(i) Principal amount	299,550,000	8,935,437	0	308,485,437
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	399,661	0	0	399,661
<b>Total (i+ii+iii)</b>	<b>299,949,661</b>	<b>8,935,437</b>	<b>0</b>	<b>308,885,098</b>
<b>Changes in Indebtedness during the financial Year</b>				
Addition	7,023,652,835	0	0	7,023,652,835
Reduction	(84,958,949)	(3,497,497)	0	(88,456,446)
<b>Net Changes</b>	<b>6,938,693,886</b>	<b>(3,497,497)</b>	<b>0</b>	<b>6,935,196,389</b>
<b>Indebtedness as on 31.03.2015</b>				
(i) Principal amount	7,188,369,703	5,437,940	0	7,193,807,643
(ii) Interest due but not paid	50,273,844	0	0	50,273,844
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>7,238,643,547</b>	<b>5,437,940</b>	<b>0</b>	<b>7,244,081,487</b>

AVANTHA  
GROUP COMPANY



The corrected version of the Annual Report is enclosed herewith and is also available on the Company's website: [www.cgglobal.com](http://www.cgglobal.com).

Thanking you,

Yours faithfully,

For Crompton Greaves Limited

A handwritten signature in black ink, appearing to read 'Laurent Demortier', with a long horizontal stroke extending to the right.

**Laurent Demortier**  
*CEO & Managing Director*



Smart solutions.  
Strong relationships.

# MAKING INDIA THE CORE OPPORTUNITY

CROMPTON GREAVES LIMITED  
78<sup>TH</sup> ANNUAL REPORT 2014-15



AVANTHA  
GROUP COMPANY

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# CONSOLIDATED FINANCIAL HIGHLIGHTS

## CONSOLIDATED NET SALES

of Business Units



**8574**

POWER SYSTEMS

IN RS CRORE



**3233**

CONSUMER PRODUCTS

IN RS CRORE



**1841**

INDUSTRIAL SYSTEMS

IN RS CRORE

## NET SALES AND SERVICES

**14013**

IN RS CRORE

## EBIDTA

(Earnings before Interest, Depreciation, Taxes & Amortisation, including Other Income)

**770**

IN RS CRORE

## PROFIT BEFORE TAXES

**428**

IN RS CRORE

## PROFIT / (LOSS)

After taxes, Minority Interest & Share of Associates (Net)

**209**

IN RS CRORE

## ROCE

(Return on Capital Employed)

**7.8%**

IN PERCENTAGE

## RONW

(Return on Net worth)

**5.7%**

IN PERCENTAGE

# ALIGNED TO THE INDIA OPPORTUNITY



## THE **CG** **EXPORT** CAPABILITY

**₹9000Mn+**  
of export sales from India achieved by  
the Power and Industrial businesses.

**85**  
countries receive CG products.

**50%**  
of all high voltage switchgear  
manufactured by CG is exported.

India's growing potential to turn into an export hub is an opportunity CG identified much earlier. The demand for CG made products is showcased with the growth in our exports, such as a 47% growth in order intake for industrial exports over last year, or over INR 8000 million of export sales from India for power equipment. Our power products entered new geographies of Mexico, Ivory Coast, Rwanda, Mozambique, to name a few, while total export sales for industrial crossed INR 1000 million for the first time in FY14-15. Be it emerging markets such as Africa and the Middle East, or the mature markets of Europe and Americas, CG has dedicatedly worked towards expanding India's footprint on the export map year after year.

## THE **CG** **TECHNOLOGY** CAPABILITY

**800kV**  
Transformer Bushing developed indigenously  
conforming to IEC 60137 - 2008.

**60%**  
of the total global product profile for  
rotating machines is manufactured by CG.

**-50°C**  
the temperature at which CG made EHV  
ITs can function.

India's acceleration in manufacturing growth is as anticipated as it is crucial to the government's plans. A push that will see the country sharpen its focus on building advanced infrastructure, and the potential rise of India as a global manufacturing hub. A one of its kind Industrial Corridor, which is the largest infrastructure project undertaken by India; a power transmission grid that could put India ahead of most nations; a hundred smart cities that will need smart infrastructure. And an 8% growth rate that's among the world's best.

**WE AT CG LIKE TO SAY:  
THERE'S OPPORTUNITY  
AT THE CORE.**



**US\$1trillion**

India's investment reserved for infrastructure during the 12th Five Year Plan (2012-17).

**₹16,000cr**

estimated investment in Ultra Mega Power Projects. These are very large sized projects, approximately 4000 MW each.

**₹185bn**

approved outlay by the Government for creation of trunk infrastructure under DMIC projects.

**5**

National Industrial Corridors identified and planned.



CG's business growth strategy pivots on providing innovative and high-end technology solutions for customers across industries. We have not only built one of the world's largest indoor high voltage laboratories in Nashik, but also the Global Design Centre for the Industrial BU in Bhopal - strategic investments that are in line with leveraging our technological edge for the opportunities of tomorrow. From our compelling suite of smart grid solutions, to the indigenous development of UHV equipment upto 1200kV, the compact GIS range from 66kV to 300kV, IE2 & IE3 range of motors and the soon to be commercially launched IE4 motors, or developing technology on electronics signalling and IGBT based propulsion systems for Railways – CG's technology focus is all about making our customers future ready.

**THE CG  
MANUFACTURING  
CAPACITY**

**7,00,000+**  
Low Voltage Rotating Machines (LVRM)  
manufactured annually catering to  
various industries.

**39,000 MVA**  
capacity for Power Transformers in India.

**2,50,000+**  
railway signalling products  
manufactured per annum.

Aligned to the country's vision of becoming a manufacturing hub, CG has maintained a strategic focus on India. Our 22 domestic manufacturing facilities, skilled workforce and technological edge stand as our competitive advantage. CG's commitment to India is exhibited through our strategic investments, be it the smart grid facility in Bengaluru that is well equipped to serve Indian utilities and industries ushering in efficiency and reliability to contemporary standards, or our world class facilities at Mandideep, Bhopal that employs advanced flexible manufacturing practices to make globally competitive transformers and motors. Our India manufacturing command lies in our understanding of the domestic market, lasting customer relationships and the continuous focus on quality & technology.

1108 TW

1905 TW

INDIA'S CURRENT PRODUCTION OF ELECTRICITY

DEMAND FOR ELECTRICITY IN INDIA BY 2022

₹1190mn

**Order for the highest rating Generator Step-Up Transformer (GSU) received from NTPC** for their 2x800 MW super-critical thermal power plant at Darlipali in Odisha.

800kV

**Spring-spring Breaker developed indigenously** and type tested successfully has been approved by India's largest Transmission Utility, PGCIL.

## MAKING INDIA GO FAR

Growing demand for electricity has driven the power equipments market. Nowhere is this truer than in the demand for UHV transformers and switchgear, which kick in when industrial and urban growth occurs far from where electricity is generated. India's recent emphasis on manufacturing, the birth of industrial corridors, new planned cities and expanding urban centres accelerate just this opportunity. Thus, the move to make power equipments of 765kV and beyond to build the national transmission backbone. It's in this class that CG has already established its leadership, playing a vital role in its upgradation with its indigenous UHV portfolio. It's a position we preserve with world class assets like the ₹400 million investment in the UHV Centre of Excellence at Nashik. These prepare us for a significant presence in 1200kV, a voltage level that will put India in the vanguard. Like in the case of 765kV, CG has indigenously developed the complete platform of 1200kV products which are in commission at Power Grid's 1200kV Test Station at Bina in Madhya Pradesh. These long strides in mega infrastructure development, the growing power transmission needs of a fast growing economy will likely secure the huge demand for power products and expertise from major utilities with whom CG enjoys a strong relationship.



upgrading the  
transmission backbone

 **US\$224bn**

expected investment in the power sector during the 12th Plan (2012 - 2017).

 **316%**

expected increase in production of electrical equipment, a sharp rise from US\$ 24 bn in 2013 to US\$ 100 bn in 2022.

 **169000 MW**

of power capacity addition targetted by the Ministry of Power (GoI) during the 12th and 13th five year plan.

 **126650 MW**

Total transfer capacity of the National Grid by March 2022. The current transfer capacity stands at 40050 MW.

**175<sup>th</sup>**

Unit of 765kV Transformer manufactured and despatched by CG's Transformer plant in Mandideep, Bhopal.

**800kV**

Current Transformer indigenously developed, type tested and fully approved by PGCIL.

**100<sup>th</sup>**

UHV reactor delivered to Power Grid Corporation of India Limited.

**32%**

CG's market share in terms of value and 20% in terms of MVA in the 765kV Transformers and Reactors market during FY 14-15.

**₹3600+mn**

of sales achieved in FY 14-15 for 765kV Transformers and Reactors on orders from major Indian power transmission and generation utilities.

**21%**

of the UHV Transformers & Reactors market has been captured by CG cumulatively as a result of its consistent performance.

## 02 | AUTOMATION

2030 | ↑56%

590 MN

2011 | ↑32%

377 MN

2001

286 MN

PEOPLE IN URBAN AREAS

400kV

**complete Substation Automation Systems delivered for the first time** to the Uttar Pradesh Transmission Corporation Limited (UPPTCL).

20000+

**consumers to potentially benefit from the Smart Grid deployment by Uttar Gujarat Vij Company Ltd (UGVCL)**

CG successfully demonstrated the proof of concept for Smart Meter deployment under the pilot project.

## MAKING INDIA COUNT

Drive through India today and the metamorphosis of rural areas into urban ones is obvious— “urbanisation” as it’s called. Smaller urban centres swell into larger ones and the largest continue to grow. But urbanisation is also being driven by the need for industrial and business infrastructure. A 100 smart cities is a response to this situation, as are the numerous rejuvenation projects being funded by the centre and the states. These future cities will require smart infrastructure that will have integrated automated services like water, waste treatment, recycling, transport and most importantly, smart grids. This will in turn spur demand for power automation and distribution products, all of which adorn the CG portfolio. From developing gas insulated substations that are best suited for cramped urban spaces to the industry-leading technology of ZIV meters, CG is ahead of the curve. Add the fact that CG delivered its first indigenous 400kV Protection Control & Automation solution, for a state utility and it’s easy to see how CG is poised to capture a thicker slice of the future.

 **₹7lakh crores**

total estimated investment requirement in 20 years to develop 100 Smart Cities across India.

 **US\$100bn**

investment planned by DMICDC (Delhi Mumbai Industrial Corridor Development Corporation Limited) to set up seven smart cities along the 1500 km industrial corridor across 6 states.

 **₹980cr**

total outlay for National Smart Grid Mission (NSGM) activities for 12th Plan (2012 – 17).

 **130mn**

smart meters to be deployed in India by 2021 under the Smart Cities scheme.

## CG's 1<sup>st</sup>

**765kV PLCC (Power Line Carrier Communication System) successfully commissioned at PGCIL.** This fully integrated voice/data communication system will enable PGCIL to have a communication link in far reaching areas and remotely access its operations.

## 2<sup>nd</sup>

**year of successful performance of CG Automation India in the 1st 400kV SAS project at Korba West Power Company Limited (KWPC).** This will further strengthen the local manufacturing approvals from utilities like Power Grid.

## 300+

**FRTU (Feeder Remote Terminal Units) commissioned in Reliance Infrastructure Mumbai** that provides services like power quality management and reduces the power restoration time thus improving the efficiency of their DAS.

51%

growth in order intake by CG's Automation business in India in FY14-15. To its credit CG has its own state-of-the-art manufacturing facility for automation products in Bangalore, India to cater to the growing domestic market needs.

54%

increase in enquiry base for Automation products and solutions in FY2014-15 over the last fiscal. To precisely monitor & control the load flow, CG has introduced single and three phase Smart Meters in India for AMR (Automatic Meter Reading) /AMI (Advanced Metering Infrastructure), as well as Power Management / Demand response system.

20%

increase in CG's market share of PLCC system in FY 14 – 15. Use of PLCC in modern electrical power system is mainly for telemetry and telecontrol.

1483 KM

LENGTH OF THE  
SANCTIONED  
DELHI MUMBAI  
INDUSTRIAL  
CORRIDOR

8002 KM

LENGTH OF THE PLANNED  
INDUSTRIAL CORRIDORS

## 11kV, 4 MW

**is the expanded range for NTPC (prev. 2.5 MW).** LRM India's offering for NTPC expands with this order to supply motors up to 11kV, 4 MW for all their projects. With growth expected in power sector for FY 15-16, this range expansion approval will help LRM India bag more orders.

## 160kW

**Apex series IE3 motors supplied for the first time.** 207 LT motors supplied to Shree Cement Ltd, one of the biggest cement makers in Northern India for the Uttar Pradesh Grinding Unit project, "a green field project".

## GIVING INDIA MOMENTUM

India's plan to rank among the world's top growth economies and manufacturing destinations by 2020 will be fed by new energy capacity, large innovative infrastructure projects and the need for energy efficient solutions for a wide range of industries. Each of these creates significant opportunity for CG's businesses. Among the new blue-sky infrastructure projects, the most ambitious is the Delhi-Mumbai Industrial Corridor (DMIC), the largest infrastructure project in India. The programme envisages development of infrastructure linkages like power plants, assured water supply, high capacity transportation and logistics facilities, areas for which CG has a wide range of offerings with proven track record. With the Indian Railways exploring the PPP mode of delivery to award projects worth \$1,000 billion, CG is well positioned to grab the opportunities in this segment. A testament of our successful track record with the Indian Railways is the fact that this business alone booked cumulative orders worth Rs 450 crore this fiscal year. As India accelerates towards growth, CG's product portfolio and technology offerings, covering a wide gamut of sectors will bolster efficient production in industries.

 **US\$3bn**

**to be spent by the Indian Railways**

on procurement / manufacture of rolling stock which includes Transformers, Traction Converter, Traction Motors, Alternators, Aux. converter, TCMS, Aux. motors, Stamping for motors, Aux. alternators, AC coach inverters, Carriage fan, Pumps / Fan / Blower motors, etc.

 **₹250bn**

**Opportunities to avail defence offset obligations during the next 7-8 years.**

 **₹45000cr**

**to be spent by the Indian Oil Corporation,**

the country's largest refiner and fuel retailer, over three years to build petrochemical plants and LNG terminals, lay pipelines and upgrade its refineries.

 **₹1.5lakh crore**

**planned spends till 2030-31 by the Steel Authority of India**

**(SAIL)** to increase its capacity to 50 million tonnes (MT) from 23 MT. The investment would encompass new projects as well as expansion of existing one. India has set an output target of 300 MT of steel by 2025.

**₹1000mn**

**crossed in export sales for Industrial products from India for the first time.**

**Highest Rating Motor**

**8.5 MW order received by LRM-India from JSPL-Angul**

This is the highest rating motor order booked by LRM India till date.

**Upto 7.5kW, 4 pole**

**Flameproof brake motors developed**

**for the first time** comprising 4kW, 5.5kW, 7.5kW 4 pole in E160L frame for Nord Drive system Pvt Ltd. for Reliance Hazira project. The order bagged for 30 motors are for Apron Feeder application.

**₹3000mn**

**of orders booked by LRM-India in FY 14-15**

LRM India witnessed growth in cement, metal, water and irrigation sectors by 8%, 27% and 23% respectively as compared to FY 13-14.

**First Order**

**for Drives from NPCIL**

This order involves testing of VFD for EMC compliance, compliance to IEEE 650 standard, seismic testing and hardware reliability testing. The drive will be used to control the reciprocating pump for fuel machine supply associated with the control rods in nuclear reactors.

**₹102mn**

**order dispatched**

D&A India dispatched an order for Alfanar Technical Services, Saudi Arabia worth Rs. 102 million for routine test bed for LV and MV motors. CG offered a complete solution involving AC and DC drives, Switchgears, Control and Instrumentation. D&A India offered a fully automated system for testing DC and AC motors with automatic report generation system.

# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

### **CHAIRMAN**

Gautam Thapar

### **CEO AND MANAGING DIRECTOR**

Laurent Demortier

### **NON-EXECUTIVE DIRECTORS**

Shirish Apte

Omkar Goswami

B Hariharan

Sanjay Labroo

Colette Lewiner

Meher Pudumjee

Valentin von Massow

### **CHIEF FINANCIAL OFFICER**

Madhav Acharya

### **COMPANY SECRETARY**

Minal Bhosale

( resigned w.e.f 31 May 2015 )

### **Auditors**

Sharp & Tannan

### **Solicitors**

Crawford Bayley & Co

### **Bankers**

Union Bank of India

IDBI Bank Ltd

State Bank of India

ICICI Bank Ltd

Corporation Bank

The Royal Bank of Scotland NV

Canara Bank

Standard Chartered Bank

Bank of Maharashtra

Credit Agricole CIB

Yes Bank Ltd

### **Registered Office**

6th Floor

CG House

Dr Annie Besant Road

Worli

Mumbai 400 030





Industrial BU's state-of-the-art manufacturing facilities at Mandideep, Bhopal, India

# CHAIRMAN'S LETTER

## DEAR SHAREHOLDER,

Those of you who have read my earlier Chairman's Letters or have interacted with me during your Company's Annual General Meetings must know that I believe in speaking the truth.

The fact is that, as a consolidated entity, your Company has performed below expectations for the year that came to an end on 31 March 2015. The results bear this out. Let me touch upon these before going further.

- At Rs.7,576 crore, the unexecuted order book (UEOB) on 31 March 2015 — which mainly relates to the Power and partly Industrial Systems — was 18.5% lower than the previous year.

- Net sales and income from services grew by 2.8% to Rs.14,013 crore in FY2015. Although this translates to almost US\$2.3 billion of top-line, the fact is that the growth was more muted than the year ago.

- EBIDTA, without 'other income' grew by 5% to Rs.642 crore.

- PBIT increased by 1.8% to Rs.508 crore.

- PAT, including exchange gains/(loss), exceptional items and prior period items before minority interest and share of associate companies, was 20.2% lower at Rs.206 crore.

- Return on capital employed (ROCE) was lower by 70 basis points at 7.8%.

In my last year's letter to you, I wrote "that your Company has started delivering better results" and expected "better days ahead". Regrettably, this has not happened in FY2015. It is important to know why.

The simple point is that India has done fairly well — in Power, Industrial Systems and Consumer Products. The standalone results bear this out. Net sales and services increased by 3.5% to Rs.7,837 crore; operating EBIDTA grew by 5.9% to Rs.653 crore; and thanks to an exceptional item — sale of excess land at Kanjur Marg, Mumbai — PAT increased by 40.3% to Rs.731 crore.

To be sure, there were some lowlights — such as the losses incurred in manufacturing distribution transformers in India, in the Engineering Projects Division and in the electricity distribution business in Jalgaon, Maharashtra. But these were more than overcome by the profitability of the other businesses.

Unfortunately, the overseas business has affected your Company. Revenue from operations decreased by 0.6% to US\$ 1,023 million in FY2015. Operating EBIDTA







OG's Power BU offers an extensive portfolio of equipment and integrated solutions for Power Utilities



CG's Power Transformers are one of the most reliable and widely used power equipment, worldwide

posted a loss of US\$ 6 million. Operating PBT losses worsened from US\$ 46 million in FY2014 to US\$ 52 million in FY2015.

And because of some significant one-time charges and additional provisions, losses at the PAT level deteriorated from US\$ 40 million last year to US\$ 83 million in FY2015.

Not all overseas operations fared badly. The power transformer business in Indonesia did very well. To a lesser extent, so too did the power and distribution transformer business in the USA. As well as the systems business out of Belgium. Moreover, the Automation business, led by ZIV in Spain, sharply increased its order book and sales, secured an impressive list of marquee customers and earned a positive EBIDTA for the first time in the last four years.

Unfortunately, these pluses were not insufficient to overwhelm the losses in the power transformer and switchgears businesses in Hungary, the power and distribution transformer businesses in Belgium, the power transformer plant in Canada, and sundry losses in the power solutions businesses in the USA, the

UK and Brazil. In addition, exceptional one-time charges incurred on account of earlier product-related issues further cut into profits.

Thus, the question arises: in the B-to-B segment of your Company's businesses — comprising power, automation and industrial — where do we go from here?

The management, your Board of Directors and I believe that the core strength of the B-to-B businesses lies in India.

We have a highly profitable, world class power transformer plant at Mandideep, near Bhopal, that has manufactured and despatched 175 units of 765 kV class products, aggregating over 40,000 MVA — the only plant in India of its scale and capabilities. We have another profitable, nimble and export-driven power transformer manufacturing plant at Kanjur Marg, Mumbai. We have excellent switchgear manufacturing facilities at Nashik.

We have two state-of-the-art plants at Mandideep for the Industrial Systems business — one for making medium to large motors and alternators and the other for

drives — which can supply complex products to India and the rest of the world. We have plants that can make competitively priced small and fractional horsepower motors.

If we marry these with intelligent automation devices produced in Spain and a new plant at Bengaluru, we can create a dynamic and profitable B-to-B enterprise that 'makes in India' for the nation and the world.

This is distinctly possible. But it needs imagination, total managerial focus and an unwavering attention to operational efficiency and optimal delivery.

Your Company has done it earlier. There is no reason why it cannot do so now — especially in a milieu of vastly widened opportunities.

What, then, about the other international businesses? I will be the first to acknowledge that turning these around is more difficult than fixing minor parts of the India-based B-to-B enterprises. Even so, I believe that it can be achieved — for most of the facilities if not all.

However, this will require even greater operational and financial discipline; a 'come-

what-may' commitment to budgets and deliveries; a sharp and constant focus on collections; and creating an environment that encourages zero tolerance for slippages. This turnaround may also require some additional cash injection — which your Board is willing to underwrite provided it clearly sees the gains coming out of it.

As we prepare for a tough turnaround of some of the international facilities, I should inform you that on 28 May 2015, your Board of Directors received non-binding proposals from reputed international entities for acquiring the European, North American and Indonesian activities of CG Power. Separately, your Company received firm offers for the Canadian power facility, and the US transportation automation businesses, formerly known as QEI Inc. While the proposals are in the nature of firm indications of interest, these are subject to due diligence, negotiation and execution of definitive agreements.

Your Board reviewed these offers and authorised a Committee of Directors to take the appropriate next steps. Of course, as I write, there is no assurance that any definitive offer will be made or approved, or that any agreement will be executed or consummated.

This brings me to the proposed demerger of your Company's Consumer Products business. With CG having two distinct businesses — the B-to-B involving Power Systems, Automation and Industrial Systems, and the B-to-C which covers Consumer Products — your Board felt that demerging these into two industry-leading corporate entities, each with complete independence and flexibility, would unlock greater shareholder value.

Thus, on 3 March 2015, your Board of Directors unanimously approved a Scheme of Demerger. This consists of a 100% vertical demerger of the Consumer Products BU of CG into its wholly owned subsidiary called Crompton Greaves Consumer Electricals Limited (CGCEL), which will come into effect from the appointed date of 1 October 2015, subject to the receipt of all regulatory approvals.

The contours of the scheme are given in the Directors' Report and the chapter on Management Discussion and Analysis. What matters here is that the shareholders of CG will get one equity share of CGCEL for each share held in CG, and that CGCEL will be listed on the BSE and the NSE.

Therefore, this is the last year when a CG Annual Report will be discussing the performance of its Consumer Products

business. As a 'CG-man', I have mixed emotions: a certain sense of sadness that Consumer Products will no longer be a part of us; and a greater sense of hope that what we are proposing to do is in the best interest of shareholders and the Consumer organisation.

Finally, how do I see the year ahead? I have little doubt that the India-based B-to-B businesses will continue doing well — both in Power and Industrial Systems. So, too, should the Automation business. Equally, I am aware of the serious efforts that will be needed to turnaround some of the international businesses. The more so at a time when the B-to-B activities will no longer have access to free cash regularly generated by the Consumer Products business.

Let me assure you that your Board, as well as the Board of the international entity, HBE, will rigorously supervise and oversee this process to not only set tough targets for the Company's management but also to ensure that these are systematically achieved. Difficult circumstances require grit, determination and the ability to make tough calls. Your Board is committed to doing so — and thereby ensure a satisfactory denouement to this hard process of change.

The time for change is now. To choose disciplined leaders who will lead from the front; to eschew multiple objectives and focus on the basics; to set hard targets; to monitor all aspects of operational and financial improvement; and to set the ship back on course.

In the past, CG has hit hard times; dug deep; and then come out with flying colours. It can — and must — do so now. With no excuses. Only achievements. That is the Board's and my message to the management. I expect it to be heard and executed.

Thanks as always for your support. I cherish it.

With best regards,



**Gautam Thapar**  
**CHAIRMAN**

Mumbai, 28 May 2015

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# EXECUTIVE COMMITTEE

---

**LAURENT DEMORTIER**  
CEO & MANAGING DIRECTOR

**RAVI RAJAGOPAL**  
EXECUTIVE VICE PRESIDENT & GLOBAL HEAD  
(LEGAL, GOVERNANCE & RISK)

**JEAN-MICHEL AUBERTIN**  
EXECUTIVE VICE PRESIDENT & PRESIDENT  
(POWER BUSINESS UNIT)

**NORBERTO SANTIAGO ELUSTONDO**  
EXECUTIVE VICE PRESIDENT & PRESIDENT  
(AUTOMATION BUSINESS UNIT)



**MADHAV ACHARYA**  
EXECUTIVE VICE PRESIDENT,  
CHIEF FINANCIAL OFFICER &  
CHIEF INFORMATION OFFICER



**SANJAY SINGH**  
EXECUTIVE VICE PRESIDENT & GLOBAL HEAD  
(HUMAN RESOURCES)



**NEELKANT NARAYANAN  
KOLLENGODE**  
EXECUTIVE VICE PRESIDENT & PRESIDENT  
(INDUSTRIAL BUSINESS UNIT)

# MANAGEMENT DISCUSSION & ANALYSIS

## **Crompton Greaves Limited ('CG' or 'the Company')**

is a global enterprise providing end-to-end solutions to utilities, industries and consumers for the management and application of efficient and sustainable electrical energy. At a conceptual level, CG's businesses are divided according to two broad areas of work: those that are essentially B-to-B and cater to business segments, and those that are B-to-C which focus on consumer needs.

The B-to-B segment covers three businesses. These are:

- Power transmission and distribution equipment and system solutions covering a wide span of differentiated products and services from ultra-high voltage (UHV), high voltage (HV), medium voltage (MV) and low voltage (LV).
- Automation solutions for efficient electrical distribution.
- The Industrial Business Unit consisting of rotating machines (motors and alternators) across a wide spectrum of power and ratings, automated AC, DC and variable frequency

drives and control systems as well as traction electronics and machines, signalling and coach products and integrated solutions for railway transportation.

Customers of the B-to-B segments comprise major utilities and industries across the globe — in generation, transmission, distribution, renewables, oil and gas, cement, metals and mining and the transportation sector.

The B-to-C business meets the electrical needs of individuals, households, municipalities, shops and offices through a variety of end-user electrical products such as fans, lighting equipment (lamps and luminaires), pumps



## BUSINESS PERFORMANCE, FY2015

### UNEXECUTED ORDER BOOK (UEOB)

**₹7,576 Crore**

The unexecuted order book (UEOB) as on 31 March 2015 stood at Rs.7,576 crore, which was 18.5% lower compared to the previous year.

### NET SALES AND SERVICES

**₹14,013 Crore**

Net sales and income from services grew by 2.3% to Rs.14,013 crore in FY2015. This translates to US\$2.3 billion.

### EBIDTA (INCLUDING OTHER INCOME)

**₹770 Crore**

CG's earnings before interest, depreciation, taxes, and amortisation (EBIDTA), including 'other income', grew by 1.1% to Rs.770 crore.

### EBIDTA (EXCLUDING OTHER INCOME)

**₹642 Crore**

CG's earnings before interest, depreciation, taxes, and amortisation (EBIDTA), without 'other income' increased by 5% to Rs.642 crore in FY2015

### PROFIT BEFORE INTEREST AND TAXES (PBIT)

**₹508 Crore**

Profits before interest and taxes (PBIT) increased by 1.8% to Rs.508 crore.

### PBT (INCLUDING OTHER INCOME BEFORE EXCHANGE GAIN/ (LOSS), EXCEPTIONAL ITEMS AND PRIOR PERIOD ITEMS)

**₹403 Crore**

Profit before taxes (PBT) including 'other income' but without exceptional items, exchange gain/loss and prior period items was flat at Rs.403 crore for FY2015.

### PBT (INCLUDING OTHER INCOME AFTER EXCHANGE GAIN/ (LOSS), EXCEPTIONAL ITEMS AND PRIOR PERIOD ITEMS)

**₹428 Crore**

PBT (including other income after exchange gain/(loss), exceptional items and prior period items) was Rs.428 crore, which was 13.4% lower than the similarly computed PBT for the previous year.

### PAT (BEFORE EXCHANGE GAIN/(LOSS), EXCEPTIONAL ITEMS AND PRIOR PERIOD ITEMS)

**₹181 Crore**

Profit after taxes (PAT) before exchange gains/(loss), exceptional items, prior period items, minority interest and share of profit/(loss) of associate was 9% higher at Rs.181 crore.

### PAT (AFTER EXCHANGE GAIN/(LOSS), EXCEPTIONAL ITEMS AND PRIOR PERIOD ITEMS)

**₹206 Crore**

Profit after tax after exchange gain/(loss), exceptional items and prior period items before minority interest and share of profit/(loss) of associates was 20.2% lower at Rs.206 crore.

### RETURN ON CAPITAL EMPLOYED (ROCE)

**7.8%**

Return on capital employed (ROCE) was lower by 70 basis points at 7.8% in FY2015

### EARNING PER SHARE (EPS)

**₹3.34**

Earnings per share (EPS) was Rs.3.34 in FY2015 versus Rs.3.86 in the earlier year.

**Note:** Rs.1 crore is Rs.10 million. FY2015 stands for fiscal year 2014-15, i.e. from 1 April 2014 to 31 March 2015. Analogously, FY2014 and other fiscal years. All figures in US\$ for FY2015 are translated at an average exchange rate of US\$1 = 61.1097. For FY2014 it is US\$1 = 60.3575. Figures for FY2014 have been regrouped wherever necessary in order to make them comparable with those of FY2015.



CG's Gas Circuit Breakers play a vital role in the reliable functioning of the T&D network

and appliances that are sold under the Crompton brand, which has been a household name in India for over seven decades. CG has manufacturing, systems, services and sales facilities at 43 locations, spread across 5 continents. It does business in 85 countries across the world.

## THE CG ORGANISATION

CG's offerings are built around its strategic Business Units (BUs): Power, Industrial, and Consumer. Each BU is responsible for revenue growth, profitability and capital efficiency through strategic levers and business activities. These involve, among others, geographical expansion of markets and the manufacturing footprint, design, technology, supply chain, manufacturing, sales support, tendering and quotations, contract management, installation, testing and commissioning for the products.

### I. POWER SYSTEMS

CG's Power BU offers an extensive portfolio of manufactured equipment ranging from

high voltage transmission products to those needed for distribution, as well as integrated solutions for network management. Its operations can be classified into four divisions:

- **Products** comprising Power Transformers, EHV Switchgears, MV Switchgears and Distribution Transformers. It has facilities in Mechelen (Belgium), the state of Rio Grande do Sul (Brazil), Winnipeg (Canada), Tapioszele (Hungary), Bogor (Indonesia), Cavan (Ireland), Saudi Arabia, Washington (Missouri, USA), and in India at Kanjur Marg (Mumbai), Malanpur and Mandideep (Madhya Pradesh), Nashik and Aurangabad (Maharashtra).

- **Systems and Solutions** which provide turnkey solutions and services for design, manufacture, supply, construction, installation, testing, commissioning, and servicing of large scale on-shore and off-shore, conventional and renewable energy projects. It has offices in Mechelen (Belgium), Budapest (Hungary), Stockport (UK), Jakarta (Indonesia), Saudi Arabia, New York, Pennsylvania and Texas (USA) and Gurgaon (Haryana).

- **Automation** which provides equipment and services to manage and control the flow of electricity in transmission and distribution grids. It also provides digitised automation solutions for power utilities, rapid transport services and other related activities. It has facilities in Zaimudio, Madrid and Barcelona (Spain), Grenoble (France), Niteroi (Brazil), Dublin (Ireland), Springfield (New Jersey, USA) and Bengaluru (Karnataka).

- **Services** comprising retrofit and maintenance solution, measurement and diagnostics of electrical systems, field services, spare parts sale and training related services. It has facilities in the United Arab Emirates (UAE), Washington (Missouri, USA), Madrid (Spain), Stockport (UK), Charleroi (Belgium) and Fecamp (France). The division offers services where the customer is based, directly through its teams.

Power BU also runs a distribution franchise at Jalgaon (Maharashtra).

The end-to-end solution competency from Systems and Solutions, Automation and



Services business together create a complete offering for customers — from meeting product needs to installation, connection, maintenance and servicing across the life cycle of the equipment or substations.

The Automation business reflects CG's strategy to play a role in promoting smarter grids for increased energy efficiency. Though it is not yet a reportable segment in financial and accounting terms and the operations are reported under the Power BU, the business recorded a significant growth in FY2015: by 28.3% in sales and 8.6% in terms of order intake. Later on in this chapter, there will be further details of this business.

## II. INDUSTRIAL SYSTEMS

The Industrial Systems BU provides equipment and services to convert electrical energy for industrial applications. It has four verticals:

- **Products** comprising high voltage (HV) motors ranging up to 25 MW; low voltage (LV) motors ranging up to 1.5 MW; fractional horse power (FHP) motors; direct current (DC) motors; AC generators up to 70 MVA range and AC drives up to 3 MW; traction machines for railway transportation; and stamping products. It has facilities at Tapioszele (Hungary), Mandideep and Pithampur (Madhya Pradesh), Kanjur Marg (Mumbai, Maharashtra), Ahmednagar (Maharashtra) and Colvale and Kundaim (Goa).

- **Drives** and Industrial Automation which involves AC and DC drives, variable frequency drives. It has facilities at Helsingborg (Sweden) and at Mandideep and Pithampur (Madhya Pradesh).

- **Railways** which includes solutions based on insulated gate bi-polar transistor (IGBT) technology, traction electronics and traction machines for railway transportation and signalling, with facilities at Mandideep and Pithampur (Madhya Pradesh).

- **Services** for all the above products including the condition monitoring and training modules for maintenance.

## III. CONSUMER PRODUCTS

The Consumer Products BU provides equipment and services for home and industrial applications. This BU manufactures and sells products such as fans, lighting, domestic pumps and appliances. It focuses on India with exports to South Asia, Middle East and Africa; and has facilities at Bethora and Kundaim (Goa), Baddi (Himachal

Pradesh), Kanjur Marg (Mumbai), Ahmednagar (Maharashtra), and Vadodara (Gujarat).

## THE DEMERGER

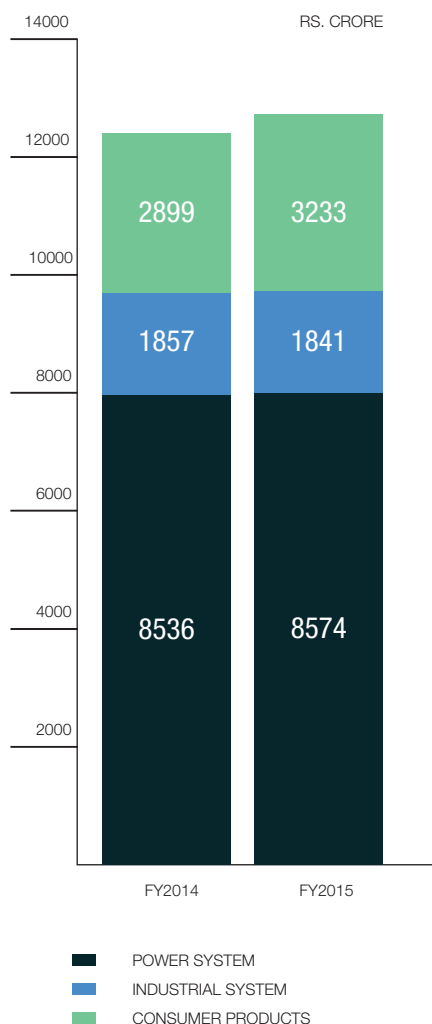
During the course of FY2015, the Board of Directors of CG took a significant decision regarding the Company. Given that CG had two distinct businesses — the B-to-B involving Power Systems including Automation and Industrial Systems, and the B-to-C that focused on the manufacture, marketing and sale of consumer products — it was felt that demerging these into two distinct corporate entities would create additional long term value for CG's shareholders. The idea was to create two industry-leading entities, each with complete independence and flexibility to pursue growth opportunities and, in the process, unlock greater shareholder value.

Accordingly, at a meeting on 3 March 2015, the Board of Directors unanimously approved a Scheme of Demerger (the 'Scheme'). This consists of a 100% vertical demerger of the Consumer Products BU of CG into its wholly owned subsidiary called Crompton Greaves Consumer Electricals Limited (CGCEL), and will come into effect from the Appointed Date of 1 October 2015, subject to the receipt of all regulatory approvals. The contours of the Scheme are given below:

- The Consumer Products business undertaking shall be demerged into CG's wholly owned subsidiary, CGCEL.
- CG will transfer its Consumer Products business undertaking including related businesses, undertakings, properties, investments, intangibles, contracts (including employee contracts) and liabilities to CGCEL.
- As on the record date, CGCEL will issue and allot to the shareholders of CG one (1) fully paid up equity share of Rs.2 each for every one (1) equity share held in CG.
- Upon demerger, the shareholding of CG in CGCEL will get cancelled, and the shareholding pattern of CGCEL will mirror that of CG.
- CGCEL will apply for the listing of its shares on the BSE and the NSE.
- The proposed Scheme will be subject to approvals of the High Court of Judicature at Mumbai. It will also be subject to various statutory approvals, including those from the shareholders as well as the lenders and creditors of CG and CGCEL.
- The appointed date of the Scheme is 1 October 2015.

**The Consumer Products business undertaking shall be demerged into CG's wholly owned subsidiary, CGCEL.**

## CHART A: NET REVENUE FROM THREE MAIN BUSINESSES



Thus, if all goes according to schedule, from the second half of FY2016, the shareholders of CG will hold shares of CGCEL — thus having shares in two listed entities, each with distinct businesses.

### BUSINESS PERFORMANCE, FY2015

Chart A plots the change in net revenues of the three main businesses.

- CG's Power Systems' net revenues was virtually flat at Rs.8,574 crore.
- The net revenue from Industrial Systems fell by 0.9% to Rs.1,841 crore.
- Net revenue from Consumer Products rose by 11.5% to Rs.3,233 crore.

### POWER SYSTEMS

Power Systems (or 'CG Power') is the Company's largest BU and focuses on power transmission, distribution, power solutions, automation, setting up of integrated on-shore and offshore power systems and associated services businesses.

Through its power products business, CG Power manufactures a wide range of power and distribution transformers, extra high voltage (EHV) and medium voltage (MV) circuit breakers, switchgears, EHV instrument transformers, lightning arrestors, isolators and vacuum interrupters. In addition, through power systems and services, it offers turnkey solutions for transmission and distribution (T&D) through sub-station projects, engineering, procurement and construction (EPC) as well as other end-to-end contracts that involve the entire value chain — solutions, design, products, procurement, construction, erection and servicing. The

automation business provides equipment and services to manage and control the flow of electricity in transmission and distribution grids. It also provides digitised automation solutions for power utilities, rapid transport services and other activities. A detailed list of CG Power's products, solutions and services as well as its associated facilities across the globe is given at the end of this Annual Report.

### CG POWER: CONSOLIDATED FINANCIAL PERFORMANCE

The consolidated performance of CG Power is given in Table 1.

- The unexecuted order book (UEOB) reduced by 19.9% to Rs.6,916 crore.
- Net sales of CG Power was flat—growing by 0.4% in FY2015 to Rs.8,574 crore.
- EBIDTA (including other income) fell by 23.5% — from Rs.429 crore in FY2014 to Rs.328 crore in FY2015. It should, however, be noted that the EBIDTA for FY2015 is considerably higher than the Rs.34 crore posted in FY2013.
- EBIT reduced by 42.4% to Rs.135 crore. While disappointing compared to FY2014, is better than the loss of Rs.110 crore incurred in FY2013.
- The return on capital employed (ROCE) decreased by 2.7 percentage points to 3.3% in FY2015

As will be seen in the course of this chapter, CG Power's consolidated financial performance was negatively impacted by two factors: European operations and the Systems business (the Engineering Projects Division or EPD) in India.

TABLE 1:

## CONSOLIDATED FINANCIAL PERFORMANCE OF CG POWER

RS. CRORE

CG POWER CONSOLIDATED	FY 2014	FY 2015	GROWTH
Unexecuted Order Book (UEOB) as on 31 March	8,638	6,916	-19.9%
Net Sales	8,536	8,574	0.4%
EBIDTA (Including other income, OI)	429	328	-23.5%
EBIT	234	135	-42.4%
Capital Employed	3,899	4,086	4.8%
ROCE	6.0%	3.3%	-2.7 percentage points

Note: Figures have been re-grouped wherever necessary to make them comparable.

## CG POWER OVERSEAS: FINANCIAL PERFORMANCE

The financial performance of the CG Power Overseas is given in **Table 2**.

Due to insufficient order intake, there was a decline in the unexecuted order book. Despite a 1% growth in net sales for FY2015, EBIDTA reduced from Rs.90 crore to Rs.12 crore. Loss on EBIT stood at Rs.132 crore in FY2015. Some of the issues that have affected the performance of CG Power Overseas will be discussed later in this chapter.

## CG POWER INDIA: FINANCIAL PERFORMANCE

**Table 3** gives the key financial performance indicators for CG Power's India operations.

CG Power India also had some decline in the unexecuted order book as on 31 March 2015 and in net sales. Without any significant growth in additional infrastructure spends in India in

FY2015, the business faced pricing pressures in India, especially from large customers.

The absolute EBIDTA decreased by 10.4%, and the EBIDTA margin reduced by 70 basis points to 9.7% of net sales. A 13.9% reduction in EBIT coupled with a rise in capital employed resulted in the business' ROCE decreasing from 30.4% in FY2014 to 18.2% in FY2015. Even so, this still ranks among the higher ROCE margins vis-à-vis the competition. A feature that becomes apparent when looking at the financial data presented in Tables 1, 2 and 3 is that despite competitive pressures, the India business of CG Power has continued to perform profitably. Unfortunately, regarding CG Power Overseas, the gains from excellent performance of Indonesia and the systems business out of Belgium, creditable functioning of the US plant and the gradual turnaround in Canada were counteracted by under-performance of some of the other operations.

There is also a strategic question. From a longer term perspective, how should CG's B-to-B enterprise be structured vis-à-vis products and geographies?

Clearly, the regions of long term sustained growth are India, China and the emerging nations of Asia and Africa. Demand for power in these countries is growing, and will continue to grow, at rates significantly higher than the developed world, especially Western Europe and North America. Among the large emerging nations, India has significant upside prospects for power generation, transmission and distribution, setting up of smart grids, locomotion, motors and rotating machines. Not only does CG have considerable manufacturing capacity in its power and industrial systems facilities in India, but also has the technical and commercial wherewithal to win large contracts abroad.

Therefore, the strategic issue is whether CG's B-to-B business should focus largely on manufacturing in India — for India and the rest of

**TABLE 2:**

## FINANCIAL PERFORMANCE, CG POWER OVERSEAS

RS. CRORE

CG POWER OVERSEAS	FY 2014	FY 2015	GROWTH
Unexecuted Order Book (UEOB) as on 31 March	5,530	3,949	-28.6%
Net Sales	5,840	5,898	1.0%
EBIDTA (including other income, OI)	90	12	-86.7%
EBIT	(60)	(132)	-118.9%
Capital Employed	2,822	2,613	-7.4%
ROCE	-2.1%	-5.1%	-3 percentage points

**TABLE 3:**

## FINANCIAL PERFORMANCE, CG POWER INDIA

RS. CRORE

CG POWER INDIA	FY2014	FY2015	GROWTH
Unexecuted Order Book (UEOB) as on 31 March	3,108	2,967	-4.5%
Net Sales	2,843	2,734	-3.8%
EBIDTA (including other income, OI)	296	266	-10.4%
EBIT	259	223	-13.9%
Capital Employed	852	1,225	43.8%
ROCE	30.4%	18.2%	-12.2 percentage points

# NUCLEAR

₹200

CRORE

## The approximate market potential of MV motors per year in the Nuclear sector

Nuclear power is the fourth-largest source of electricity in India and is seen as an alternative to conventional fuels for power generation and reduction in emission levels. With our customised solutions in both power equipments and industrial drives & motors, CG can help the nuclear power sector reduce dependency on non-renewable sources of energy. CG has the complete range of MV motors to cater to all requirements of Nuclear Power Corporation of India Limited (NPCIL) and received a breakthrough order of motors for operations inside a nuclear reactor dome. D&A India won their first order for FDU Series drive of 132kW, also involving testing of VFD for EMC compliance, compliance to IEEE 650 standard, seismic testing and hardware reliability testing.

the world — while leveraging the technologies inherent in its global Automation business to create value added products and services for clients in the fast growing regions. This has been something that CG's Board of Directors has been focusing on in considerable detail.

Independently, CG's Board of Directors received non-binding proposals on 28 May 2015 from reputed international entities with significant interest in the industrial and power sectors, for acquiring the European, North American and Indonesian activities of CG Power. Separately, CG received firm offers for the Canadian power facility (PTCA) and the US transportation automation businesses, formerly known as QEI Inc.

These proposals constitute firm indications of interest but are subject to due diligence, negotiation and execution of definitive agreements. These also happen to be inline with the Board's strategic intent of focusing on its profitable India and global Automation businesses.

The Board reviewed these offers and authorised a Committee of Directors to take the appropriate next steps. There can be no assurance that any definitive offer will be made, or that any agreement will be executed or that these offers will be approved or consummated.

CG will provide updates with respect to these transactions as required under applicable law.

## CG POWER: KEY DEVELOPMENTS IN FY2015

Despite difficulties experienced by some of the overseas locations in the CG Power BU business in FY2015, there have been several positive developments that need highlighting. These are discussed below.

### Products

The global product lines for CG Power BU are: Power Transformers, Switchgears and Distribution Transformers.

### Power Transformers (PT)

Comprising of facilities at T3 (Mandideep, near Bhopal), T1 (Kanjur Marg, Mumbai), Bogor (Indonesia), Tapioszele (Hungary), Mechelen (Belgium), Washington, Missouri (USA) and Winnipeg (Canada), the PT product line has a total global installed capacity of approximately 80,000 MVA per annum. FY2015 witnessed many key successes, some of which are mentioned here.

- The T3 facility at Mandideep remains India's leading 765 kV manufacturing plant.
- It produced 50 units of 765 kV products in FY2015, totalling 11,820 MVA.
- Manufactured and despatched the 175th unit of 765 kV class products — aggregating over 40,000 MVA. It is the only plant in India to do so.
- There are several other credits for the T3 plant:
  - It produced and despatched the 190th unit of locomotive transformers to the Chittaranjan Locomotive Works (CLW).
  - It crossed the milestone of producing over 100,000 MVA since its inception in 1995.
  - It entered the export market by executing orders worth Rs.15 crore. More importantly, T3 booked record export orders of Rs.163 crore.
  - It exceeded the order intake budget by over 47%. Secured major orders from (i) the National Thermal Power Corporation (NTPC) for 765 kV transformers and reactors; (ii) the Power Grid Corporation of India Limited (PGCIL) for 765 kV and 400 kV reactors; (iii) ISOLUX (Mexico) for 125 MVA/400 kV transformers and 400 kV reactors; (iv) CLW for locomotive transformers; and (v) Bechtel (USA) for 242 kV generator transformers and unit auxiliary transformers.
  - Bagged a significant order from PGCIL for the supply of 80 MVAR 765kV shunt reactors. The scope of this contract includes design, engineering, manufacture, shop testing, supply, erection testing and commissioning at site, and other associated civil works. These reactors will be installed at PGCIL's Vemagiri and Srikakulam sub-stations in Andhra Pradesh — and will add to the population of over 100 CG reactors already in commission in PGCIL's UHV network.
  - Awarded a prestigious contract by the NTPC for the design, manufacture and supply of a Generator Step-Up (GSU) transformers for its largest capacity, 800 MW super-critical thermal power plant at Darlipali in Odisha. The order comprises 315 MVA 765kV single phase GSU transformers, 85 MVA 765 kV 'tie' transformers and 80 MVAR shunt reactors. CG won this order against stiff international competition; and it has reaffirmed CG's leadership in India's UHV segment.
  - Obtained 18% productivity improvement in 765 kV transformers; 22% improvement

in 765 kV reactors; and 16% improvement in locomotive transformers.

- The T1 plant at Kanjur Marg (Mumbai) has also continued to perform well. During FY2015 in won several orders:
  - Domestic orders: (i) Highest rating of generator transformers (396 MVA, 174 MVA) from L&T Power for a project in Bangladesh; (ii) trackside transformers for Indian Railways — a first for T1; (iii) first time orders from the Tamil Nadu Transmission Corporation; (iv) won orders from Tata Power for two 500 MVA units; and (v) secured orders from the Bihar State Power Transmission Company Limited (BSPTCL).
  - Export orders: (i) First order for Laos — three 100 MVA/230 kV transformers; (ii) South East Asia and the Pacific, led by Malaysia, accounted for 50% of order intake for T1's exports; (iii) acquired several new customers across Africa, including Rwanda, Ivory Coast, Guinea, Mozambique, Tanzania, Ethiopia and South Africa; and (iv) gained new market entry in Mexico for the supply of transformers and shunt reactors to the Comision Federal de Electricidad.
  - Won two major end-to-end project orders with PGCIL, which involve manufacturing and supply of equipment as well as site construction, erection, testing and commissioning.
- The plant at Bogor, Indonesia (called PTID) completed its state-of-the-art manufacturing facility with environmentally controlled winding bays and new core stacking tables. It is the sole supplier of 500 kV transformers in Indonesia. During FY2015, the plant received a significant order from PT Perusahaan Listrik Negara (PT PLN), the state electricity corporation of Indonesia, for 21 units of 60 MVA transformers — a 'transfer order' that was earlier awarded to a competitor. In addition, it:
  - Delivered a 324 MVA strategic spare transformer to PT PLN — the largest 3-phase transformer produced by PTID.
  - Secured two major orders from PLN under international competitive bidding with World Bank funding for 36 150 kV transformers and 36 transformers bays. The transformers are being produced by PT ID, and the bays are being executed by the Systems division in Indonesia (SY ID). These 36 extension bays will comprise 2 lots: the Java and Bali island extension bays representing Lot 1, and Sumatra, Kalimantan and the Sulawesi islands representing Lot 2.

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**The T3 facility at Mandideep remains India's leading 765 kV manufacturing plant.**

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**CG won the highest ever quality score from Transpower (New Zealand) ever since it began supplying to this utility in 2007.**

- Secured contract from PT PLN under an Open Book Arrangement for the supply of 150 kV transformers.
- Won an order from PT PLN to supply EHV transformers for its Indonesian electricity transmission network. It involves the supply of 500kV, 275kV and 150kV power transformers, which will be installed across PT PLN's transmission network in Java and Sumatra.
- Won the highest ever quality score from Transpower (New Zealand) ever since it began supplying to this utility in 2007.
- The medium voltage power transformer plant at Washington (Missouri, US), called PTUS, has completed five years and stabilised its operations. During FY2015, it:
  - Secured a record order intake for supply of transformers for renewable energy projects.
  - Received large orders from NextEra Energy Resources Inc. from Florida, We Energies of Wisconsin, MEC Electric and the Omaha Public Power District.
- Successfully designed, built, tested and shipped its first two 230 kV/825 kV basic insulation level (BIL) transformer. Also successfully built and shipped dual low voltage regulation unit with individual load tap changers.
- From a difficult past, the power transformer plant at Winnipeg (Canada), called PTCA, has begun a gradual turnaround. A systematic labour force restructuring was completed in May 2014 and headcount reduced. A new collective bargaining agreement has been concluded that has frozen hourly wage rates until the end of April 2017. Manpower costs have reduced. Business improvement projects have started to raise productivity. The order book position is finally healthy; and the plant has exceeded the budgeted sales as well as collection targets. However, this is still work in progress. It will take a while to restore the plant to a predictably profitable path of growth.
- The plant at Mechelen (Belgium), or PTBE, has operationally stabilised. Unfortunately, given the generally depressed investment



CG Power is the company's largest BU, focusing on T&D, automation and integrated on-shore and offshore power systems and associated services businesses

climate in Western Europe, the order intake has been low, especially at the MVAs, prices and material cost ratios that can generate profits. There is also scope for further operational improvement and financial turnaround.

- The story is qualitatively similar for the power transformer plant at Tapioszele (Hungary), or PTHU. On the positive side, capacity expansion work to create 10,000 MVA per annum has been completed. Three new winding machines and a new winding bay were added; three complete coil core assembly platforms were installed; and the refurbishment of the vapour phase drying (VPD) oven and the hot air vacuum oven were completed. Loss hours have dropped sharply. First pass yield has improved to 96%. Seven transformers up to 120 MVA 245 kV class have been successfully short circuit tested at KEMA, Netherlands, and VEIKI, Hungary. A 1,000 MVA 500 kV transformer has been shipped to Statnett (Norway) and commissioned. Off-shore transformers for three major wind farm projects that were produced in Hungary are now connected to the grid. Unfortunately, the order book situation was difficult, especially for transformers with the right kind of prices. That, coupled with lower than budgeted throughput for the plant, led to Hungary making losses in FY2015.

- Having said so, CG won a significant new contract win for the design, construction and delivery of 16 mobile substations for the Ministry of Electricity in Iraq. It is a collaborative effort. The 31.5 MVA transformers in each mobile substation will be produced in PT Hungary; the auxiliary/earthing units will be manufactured in the DT factory in Belgium; the control and protection equipment will be provided by CG's Automation arm, ZIV; and integration and assembly work for the project will be carried out in Belgium.

### Switchgears

- The range of products under EHV switchgears are: (i) instrument transformers up to 1200 kV and bushings up to 550 kV; (ii) sulphur hexafluoride (SF6) circuit breakers up to 800 kV range; (iii) gas insulated switchgears (GIS) up to 245 kV; (iv) surge arrestors up to 1200 kV; and (v) vacuum interrupters up to 72.5 kV. CG has full-fledged EHV switchgear plants in India and Hungary with an assembling plant in Brazil. Some of the facilities in India command significant leadership position in the country for switchgears.

- For medium voltage (MV) switchgears, the products include: 11 kV indoor and outdoor vacuum circuit breakers (VCB), 36 kV indoor and outdoor VCB, 36 kV GIS, and unitised substation. These are all produced in India.

FY2015 witnessed several successes, some of which are mentioned below.

- Successfully developed and type tested 800 kV current transformer (CT) in accordance with the specifications of PGCIL. Also developed and type tested 800 kV condenser bushings as per PGCIL specifications.

- Received PGCIL's product approval for, and manufactured mixed dielectric synthetic oil capacitor voltage transformers (CVTs) up to 800 kV.

- Successfully developed and type tested 420 kV, 3000A (six core) CT as per PGCIL specifications. This received product approval and was supplied to PGCIL's Sagardighi project in West Bengal.

- Developed, type tested and supplied 300 kV transient response (TPX,TPY) CTs to PLN Indonesia.

- Developed a new economically designed 245 kV CT with mild steel tanks for the Madhya Pradesh Power Transmission Company Limited (MPPTCL). Supplied 75 such CTs, and received new orders for another 117 units.

- Received a prestigious order for 92 units of 420 kV CTs from Bharat Heavy Electricals Limited (BHEL) for MPPTCL.

- Secured significant export orders of CTs, CVTs and voltage transformers (VTs) from Laos, Indonesia, Vietnam, Ethiopia, Democratic Republic of Congo, Uganda, Senegal, Algeria and Guatemala, often after overcoming tough competition from major international players.

- Regarding MV switchgears, FY2015 saw its first export sale of the 36 kV GIS to Nigeria, and the first significant Indian order from the Tamil Nadu Generation and Distribution Company (TANGEDCO). Also secured product approval of the 36 kV GIS from Oman.

- MV switchgears continued to witness repeat sale of higher rating (12kV, 50kA) vacuum circuit breakers (VCBs). A marquee customer for the indoor 12kV, 44kA VCB switchboard was the Nuclear Power Corporation of India. Moreover, new indoor VCBs were successfully type-tested for the export market, ranging from 12 kV, 40 kA, 2000 Amps to 36 kV, 25 kA, 2000 Amps.

- FY2015 saw MV switchgears produce its highest ever volume of indoor and outdoor

**FY 2015 saw MV Switchgears produce its highest ever volume of indoor and outdoor VCBs produced-a total of 11512 units which represents a growth of 43% over the previous year.**

## HYDRO

90

UNITS

### **Of Synchronous Generators supplied to various hydro power projects since 2010.**

Hydropower is the ideal solution for meeting peak demand, in an environment friendly way. India's current hydropower-generation potential is estimated at 150,000MW. CG has a complete range of products to cater to the requirements of hydro sector such as LT & HT motors, drives, generators, alternators, switchgear, generator transformers upto 765 kV, GIS upto 220 kV, Relay & Control Panels, Lightning arresters, CTs, CVTs and IVTs, to name a few. With our wide range of offerings CG is well positioned to address the future demands from the hydropower segment.

VCBs produced — a total of 11,512 units, which represented a growth of 43% over the previous year.

- Manufactured the highest number of 72.5 kV breakers in the year — 1,028 units during FY2015.

### **Distribution Transformers (DT)**

The DT product line has an installed capacity of almost 25,000 MVA across all its plants throughout the globe. Unfortunately, the market position has been similar to the previous year. Except the US and Ireland — both of which enjoyed reasonably good orders — FY2015 continued to be challenging for the business across most of Europe and margin pressures in India. The DT plant in Belgium (DTBE) is recognised throughout Europe as a key manufacturing facility for SLIM® transformers that are used for off-shore and on-shore wind-farm projects. FY2015 saw a slowdown in wind-farm projects in Europe. This is expected to pick up. When it does, the DTBE should have better capacity utilisation and higher revenues. Some of the DT plants succeeded in designing, testing and manufacturing new products. Among these were: (i) the production and certification of ATEX transformers of different sizes and ratings for KBR Inc. for the oil and gas industry; (ii) the development of 10 MVA double-stock transformer for off-shore wind turbine applications; (iii) offering and production of first series of transformers according to European ECO-directive; and (iv) increasingly producing and supplying transformers from the DT plant in Washington, Missouri, for the oil and gas sector and heavy industries in the US as well as renewables in Latin America.

### **POWER SYSTEMS AND SOLUTIONS**

#### **Belgium**

The Systems division in Belgium (SY BE), having its front office in Mechelen, Belgium for project management and high level engineering, avails of an engineering back-office in Hungary. This permits a cost efficient but flexible engineering response to customer needs.

SY BE has a strong reputation in key markets, such as offshore and mobile substations because of the successful implementation of major projects such as: (i) Belwind, an offshore wind project on the North Sea; (ii) Northwind, another offshore North Sea project off the coast of Belgium; (iii) Butendiek, on the German North



Sea, off the coast of Schleswig-Holstein, (iv) Amrumbank West, offshore from Helgoland in the German North Sea; and (v) the Humber Gateway offshore wind-farm project.

This business has continued to do well. Order intake increased by 175% in FY2015 over the previous year; and sales grew by 41%. In a highly competitive market, the profitable performance of SY BE is due to its strong execution skills backed by solid risk management that allows it to identify and mitigate contract liabilities at an early stage.

In June 2014, CG, along with two other consortium partners, Fabricom and Lemants, was selected by Van Oord for its offshore wind project, Gemini, in the Netherlands. CG will design, deliver and install two high voltage (HV) offshore substations and one HV onshore substation. The volume of the order for the consortium is in excess of 150Mn Euro. CG's scope covers approximately 30% of the overall contract. The project is expected to be completed in 2016. The two offshore wind farms — Buitengaats (300MW) and ZeeEnergie (300MW) — are located 85 km north of the island of Schiermonnikoog in the Dutch North Sea.

CG will design and engineer the overall electrical HV system, manufacture and supply all key equipment and connect the onshore substation to the 400 kV high voltage grid. The total 600MW of installed capacity will produce electricity for over 785,000 households which will reduce emissions of 1,250,000 tons of CO<sub>2</sub>.

The AC connection solution devised by SY BE for the Gemini project is among the most advanced in the world. It is the first AC/DC offshore-onshore connection in 235 kV over distances as long as these. CG has patented its solution for this energy efficient 235 kV connection.

## Indonesia

The Power Systems business out of Indonesia (SY ID) has the following offering to customers:

- Mobile and modular substations up to 275 kV.
- Turnkey high voltage electrical EPC projects involving (i) conventional substations and EHV switchyards up to 500 kV; (ii) GIS substations up to 275 kV; (iii) SCADA projects; and (iv) electrical balance of plant projects for power plants.
- Substation service and maintenance.
- GIS extension and refurbishment.

SY ID's sales for FY2015 was up by 46%. For the year, in addition to winning a major World

Bank financed PT PLN order for 36 150 kV substation bays (discussed earlier), SY ID is executing an order for Tenaga Nasional Berhad (TNB), Malaysia, for two mobile substations each of 90 MVA, 132/33 kV, and another one of 30 MVA, 132/11 kV. These happen to be Asia's largest mobile substations under execution. It has also achieved breakthrough orders in the 60 Hz EPC market in the Philippines and Venezuela. In the former, SY ID will build a 138 kV AIS switchyard for a power plant; and in Venezuela it will set up two 30 MVA, 132/11 kV mobile substations.

## India: the Engineering Projects Division (EPD)

EPD's offerings include:

- Turnkey AIS substations of 220 kV, 400 kV and 765 kV.
- Turnkey GIS substations from 66 kV to 400 kV.
- Pure installation and commissioning of projects

During FY2014 and FY2015, EPD suffered losses mainly on account of issues with site completion leading to costs overrun. Structurally, the power systems business in India brings to the fore many risks — such as land acquisition for substation construction — which are outside the control of CG. Given such constraints, the focus is on completing the projects at hand and not taking up any new contracts.

## SOME INTERNATIONAL POWER BU OBSERVATIONS

Some trends have remained the same since FY2014. Global T&D markets have remained very competitive — something that began in FY2011, intensified in FY2012 and continued throughout FY2013, FY2014 and FY2015. Producers continue to offer prices that barely cover EBIDTA, only to secure orders for keeping some of the capacities in use. We have not seen this trend make way for sensible pricing and bidding in FY2015, especially in Europe but also in other parts of the developed world.

Also, as before, many customers continue to delay taking physical delivery of their equipment. This is true in Europe, the Middle East and North Africa and, occasionally, even in India. This blocks the lines in the factories, prevents timely revenue recognition, locks up working capital and reduces ROCE. Producers often

**CG manufactured the highest number of 72.5kV breakers in the year-1028 units in FY2015 .**



CG's power transformer plant in Saudi Arabia caters to the \$4Bn T&D market in this country

accept such behaviour of major customers to maintain long term relationships.

In addition, several customers now insist that at least one of their units is 'short-circuit' tested. Some even insist that the entire lot go through the process. This requires the transformer to be sent to the external test laboratory, tested, brought back into the plant and re-assembled before onward shipment to the customer — causing inevitable delays in delivery and revenue recognition, and reducing the throughput of plants.

It is difficult to predict whether these trends will gradually disappear in better times, or whether these will be 'the new normal'. Whatever the outcome, it needs stating that these problems are being faced by all global transformer manufacturers; and are impinging upon financial results for reasons that have little or nothing to do with operational performance.

## AUTOMATION

The product lines of the Automation business are :

- SAS or the Substation Automation and Telecommunication Systems.
- DAS or the Distributed Automation Solutions.
- Transit automation and supervisory control for electric, transportation and water utilities, located in the US.

As of now, there is an offer for the possible purchase of the third business, subject to the right price and conditions. Though a profitable operation, transit automation is tangential to CG's main Automation business — which aims to become a globally recognised provider of smart grid and substation automation across the world.

As automation technology becomes integral to power systems world-wide, there is considerable scope for increasing the SAS and DAS businesses in Western Europe, especially in the Euro area and in Spain where this business has a clear presence, as well as in Asia subject to successful homologation, acceptance and the right kind of pricing.

As mentioned in last year's Annual Report, the Automation business' facility in Bengaluru, India, has been successfully commissioned. With an investment of Rs.8 crore, this plant can now produce up to 10,000 SAS devices in India at more competitive prices to bid for tenders in India, South Asia and the SEAP. The process of homologating both SAS and DAS devices for Indian and Asian markets continue. We are starting to see interest across various customer groups, and expect to significantly grow the business in FY2016.

Automation is the core of smart grid solutions. And CG expects it to be a driving force in expanding its presence in power transmission and distribution as well as in rotating machines and drives. The smart grid market is developing rapidly in western Europe, and experts believe that there will be good prospects up to 2022. The next wave is supposed to be in India, starting around 2017. That is when the Bengaluru facility will be critical for growth. Incidentally, the facility has already turned breakeven.

**Some of the orders secured during FY2015 were from:**

- **April 2014, Chile.** The Automation business, through a Spanish contractor, installed a complete 61850 SAS based on the ZIV protection IEDs and a SAS gateway for the Llanos de Llampe substation, Chile. It also provided associated engineering, system integration, commissioning, and training services. SunEdison's 100 MW Llano de Llampe substation is located in the Atacama Desert in Chile, and distributes energy generated by the largest solar photovoltaic plant in Latin America.
- **April 2014, India.** Automation bagged a deal from PGCIL to supply six substation automation systems (SAS) in Jharkhand, India. The deal involved supplying six 220/132/33 kV ZIV 61850 SAS to Govindpur, Manoharpur, Jaduguda, Dalbhumgarh, Jamtara, and Rourkela in Jharkhand. It included the manufacture and supply of ZIV protection and control relays, automation systems and engineering services.
- **June 2014, Spain.** Automation won a major contract with Spanish multinational electric utility company Iberdrola to supply over 1 million ZIV single smart meters in a year. The order comprised single-phase and three-phase meters and reiterated CG's growing presence in the global smart grid sector. A significant advantage for CG in the Spanish market has been the regulatory framework which makes it mandatory that 70% of the analogue meters are replaced by 2016 and 100% by 2018.
- **June 2014, Spain.** Automation was awarded a significant contract for supply of 750,000 smart meters from the Spanish utility Gas Natural Fenosa (GNF), making it one of GNF's main smart meter suppliers for the next two years. ZIV's single phase smart meters will cover a large part of the demand for domestic meters. Automation would also be supplying nearly 20,000 three-phase meters and would bid for DCUs (Data Concentrator Units).
- **September 2014, France.** CG was selected by Electricité Réseau Distribution France (eRDF), the public electricity distribution company managing 95% of the network in continental France, as one of the six suppliers to manufacture the first three million of its new generation Linky smart meters. This contract is a very significant achievement for CG, which is building a competitive strategy in the development of smart grid solutions under the ZIV brand, based on its own know-how and a

unique mix of knowledge in protection, control, communications and metering technologies.

- **November 2014, France.** CG committed to opening a new facility in Grenoble to produce, test and calibrate over 2 million ZIV smart meters per year. CG chose Grenoble to cover the demand for Linky meters in France, and thereby provide local support to eRDF. This facility will house the Centre of Excellence for G3-PLC technology, be fully equipped to manufacture ZIV single and three phase Linky G1 and G3 meters, and produce the first units by the second half of calendar year 2015.
- **March 2015, Saudi Arabia.** CG secured a prestigious contract from the Saudi Electricity Company (SEC), the largest power utility company in the Middle East serving approximately five million customers in the Kingdom of Saudi Arabia (KSA), to supply ZIV three phase smart meters. It bagged the largest lot for the supply of the first batch of industrial smart meters after months of close dedication from its application and sales team to understand the customer's needs — which enabled CG to offer a customised and competitive product.
- **March 2015, Paraguay.** CG was awarded a contract by the Administración Nacional de Energía (ANDE), the national electric utility of Paraguay, to supply 10 complete ZIV Substation Automation Systems. The scope of the contract also includes engineering services, training and systems integration. The project, financed by the World Bank, is scheduled to be completed in six months.

**Electricity Distribution: Jalgaon (Maharashtra)**

From 1 November 2011, CG has been managing the Jalgaon, Maharashtra distribution franchise. At that time, the Jalgaon area had over 35% distribution losses; the failure rates of transformers and switchgears were high; billing efficiency was 69%; and on that poor billing, the collection efficiency was 81%. In other words, a little over two-thirds of the users were billed; and only four-fifths of them actually paid.

Although there has been much improvement since then, the business suffers from a pricing formula that, even with good operational performance, makes it difficult to generate profits. Given this situation, CG is looking at strategic options with the objective of ensuring that the profitability of the Company is not negatively impacted by its distribution franchisee business.

**Automation is the core of smart grid solutions. And CG expects it to be a driving force in expanding its presence in power transmission and distribution as well as in rotating machines and drives.**

## DEFENCE

₹1200

CRORE+

### **The market potential by 2020 – 21 in Aerospace & Defence for Motors, Drives & Alternators.**

There are two types of products that are used in defence one for services and the other for platforms. It is in platforms that one sees the demand for Motors, Soft Starters, Alternators, Insulation tapes etc. for aircraft, tanks and ships. CG is working on developing products in these areas. CG has supplied Flameproof motor (80kW) & VFD panel for a Special Purpose Vertical Mixer of 5 Tonnes capacity being developed for the first time in India for DRDO. CG received development order for Amplidyne machines from Bharat Electronics. CG has also signed an MoU with French company Arelis to manufacture Electronic sub-assemblies & Hybrid sub assemblies for Aerospace in India. This JV will also explore the defence offset market.

Parenthetically, from the perspective of financial reporting, the financials of the Jalgaon Distribution franchise are not included in the Power BU results, but are shown separately in 'Others'.

### **CG INDUSTRIAL SYSTEMS**

CG Industrial Systems manufactures the following types of products:

- High voltage (HV) motors.
- Low voltage (LV) motors.
- Fractional horse power (FHP) motors.
- Direct current (DC) motors.
- AC and DC drives
- AC generators (LV and HV).
- Variable frequency drives and solutions based on insulated gate bi-polar transistor (IGBT) technology; soft starters and shaft power monitors; and rotary heat exchangers with switch reluctance motors for saving energy.
- Traction electronics and traction machines for railway transportation
- Railway signalling equipment.
- Stampings.

**Table 4** gives the financial performance of the Industrial Systems BU over the last two years.

Industrial Systems' net sales was down by 0.9% over the previous year to Rs.1,841 crore. While this is expected to improve in the next year, it is becoming clear that the modernisation of the facilities at Mandideep has now started to pay dividends. EBIDTA has again begun to rise — increasing by 5.4% to Rs.180 crore in FY2015. EBIT has increased faster than EBIDTA — by 9.2% to Rs.140 crore. And ROCE, which was going southward till FY2014 has turned the tide — increasing by 2.2 percentage points to 15.7%.

The Industrial Systems BU has started to turn around. And the fully modern, state-of-the-art capacities that have been systematically created at Mandideep can now be fully utilised to produce world class motors and drives for India, Europe, the Middle East and Africa, and the South East Asia and Pacific region.

### **THE NEW MANDIDEEP FACILITY: MOTORS AND DRIVES**

#### **Motors**

- A world class large rotating machines facility has been built at Mandideep, covering 9,284 square metres.
- It has a state-of-the-art machines, automation and process technologies to

manufacture up to 250 large machines per year.

- It has test facilities up to 12 MW for MV motors and up to 25 MVA for synchronous generators.
- The winding and vacuum pressure impregnation (VPI) processes are automated — resulting in energy efficiency, high reliability as well as high throughput.
- The facility integrates rotating machine technology from CG Electric Systems in Hungary.

#### Drives

- A new manufacturing facility for low voltage (LV) AC drives was inaugurated in Mandideep in July 2013.
- It can produce 6,000 drives per annum per shift, with test facilities for drives up to 315 kW.
- The plant integrates technologies from Emotron.
- In sourcing, the drives business has moved inputs from high cost countries to India with an overall savings of 25%.

With the new facilities and the ability to manufacture world class motors and drives out of Mandideep, the strategic objectives of the BU are:

- Geographical expansion.
- Creating regional organisations in SEAP, MEA, EU and the Americas to enhance reach.
- Improving customer offerings for the new geographies.
- Developing new products that meet global standards.
- Lean manufacturing and sourcing initiatives for cost competitiveness.

Given below are some of the achievements of the Industrial Systems BU for FY2015.

- The business has begun to prove its ability to reach out to global customers. For the first time, exports from India crossed the Rs.100 crore mark.
- As far as sales of rotating machines in India were concerned, CG gained market share of 1.4% in volume terms.
- Secured the first IP65 motor order from the Saline Water Conversion Corporation, Saudi Arabia, for five 1.9 MW MV motors. IP65 motors are designed to work in extreme dust and temperature conditions.
- Obtained an order from the Jindal Steel Plant Limited (Angul, India) for an 8.5 MW, 6-pole, 11 kV medium voltage motor.
- NTPC approved the new Mandideep rotating machine plant for large rating MV motors. This allowed the business to bid for, and win, an order from Alstom Kolkata for three units of 3.6 MW, 10-pole 11 kV motors.
- The rotating machine facility at Hungary secured its largest order from Fives FCB of France, a specialist in the construction of cement plants, for 11 large slip ring MV motors to be supplied to Algeria Cement.
- Secured order from Deepak Fertilizer for 28 LV motors, 2 LV motors and associated drives.
- Obtained the first order from the Japanese global OEM, Torishima Pumps, for pump test motors of 500 KW for Indonesia.
- Got the first development order of a three-phase diesel-electric multiple unit (DEMU) propulsion system from the Indian Coach Factory (ICF), Chennai. This is possibly the beginning of a shift in Indian Railways from conventional to three-phase.
- Obtained orders for 38 high horsepower (HHP) DEMU from ICF Chennai order,

**The Industrial Systems BU has started to turn around. And the fully modern, state-of-the-art capacities that have been systematically created at Mandideep can now be fully utilised to produce world class motors and drives for India, Europe, the Middle East and Africa, and the South East Asia and Pacific region.**

**TABLE 4:**

## PERFORMANCE OF THE CG INDUSTRIAL SYSTEMS BUSINESS

RS. CRORE

CG INDUSTRIAL	FY 2014	FY 2015	GROWTH
Unexecuted Order Book (UEOB) as on 31 March	655	661	0.9%
Net Sales	1,857	1,841	-0.9%
EBIDTA (Including other income, OI)	171	180	5.4%
EBIT	128	140	9.2%
Capital Employed	951	891	-6.3%
ROCE	13.5%	15.7%	2.2 percentage points

**The Consumer BU remained CG's second largest business unit in terms of revenues and its largest cash generator.**

representing 60% of the tender quantity. Also won 100% of the tender order for 72 traction motors from the Rail Coach Factory, Kapurthala.

With the new motors and drives facilities at Mandideep and a focus on producing best in class machines to secure orders from the most reputed OEMs all over the world, CG's Industrial Systems BU is geared once again to climb a high growth path.

### CG CONSUMER PRODUCTS

The CG Consumer Products business supplies fans, lighting equipment (light sources and luminaires), pumps, a wide range of electrical household appliances and provides solutions for integrated security systems, home automation, and street lighting.

Given that the business will be demerged into a separate company, Crompton Greaves Consumer Electricals Limited (CGCEL), from 1 October 2015, this is the last occasion when the Management Discussion and Analysis of the Company's Annual Report will be discussing its operational and financial performance.

CG Consumer Product's financial performance for FY2015 versus the previous year is given in **Table 5**.

As before, the Consumer BU remained CG's second largest business unit in terms of revenues and its largest cash generator. Net sales grew by 11.5% to Rs.3,233 crore in FY2015. EBIDTA increased by 18.6% to Rs.414 crore; and EBIT grew by 18.9% to Rs.401 crore. With a negative capital employed of Rs.559 crore, ROCE had no meaning. The business generated net cash of Rs.336 crore in FY2015, which was 29% higher than the previous year.

### LIGHTING AND LUMINAIRES

CG's lighting division grew by 7.4%, which has been higher than the overall industry growth, and has led to CG further improving its market share. The business continues to hold an overall No.3 position in the Indian market, with leadership in high intensity discharge lamps used for public lighting, industrial lighting and floodlighting. Here are some key facts:

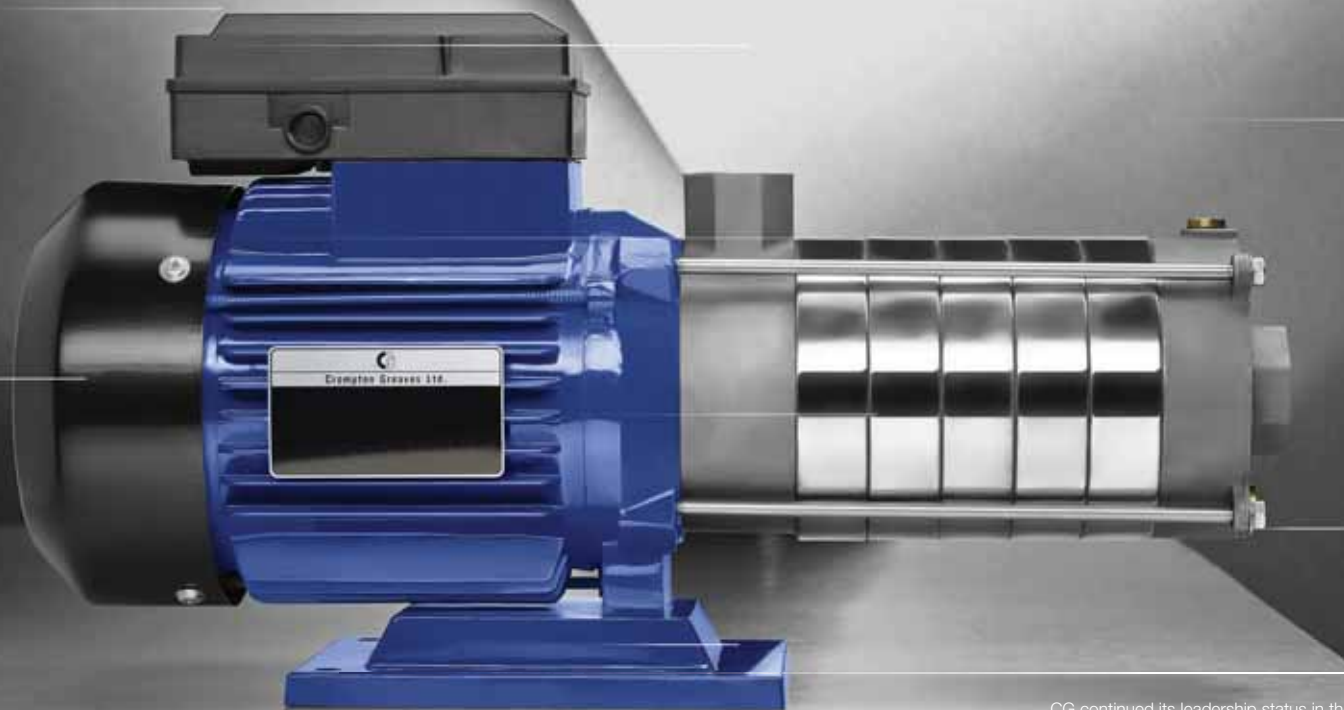
- A total of 207 stock keeping units (SKUs) were launched during FY2015, mostly in LED based fixtures. Exclusive LED experience centres inaugurated at three locations.
- New product sale was 18% of total lighting and 36% of luminaires.
- Continuous development and cost optimisation led to CG bagging 5 million LED lamp and LED street lights orders under the government's drive on energy efficiency. CG's growth in LED based lighting products was in excess of 100%, versus a market growth of 45%. This growth was on account of the launch of new products and a continuous revamp of entire product portfolio in LED.
- Won the order for around 25,000 units of LED street lights in locations like Agartala, Jhalawar, Vishakhapatnam and Alleppey.
- CG's consistent sales pitch coupled with technical competence helped in getting the first major LED lighting order from the Central Public Works Department (CPWD) for border security.
- Won the first major LED luminaire export order to Oman, comprising mainly high wattage high-bay luminaires.
- Signed up with major corporate houses and banks for the supply of conventional and LED products for all their locations in India, including the use retrofit solutions.
- Singed up with Bata for lighting up 300 of their stores across India.

**TABLE 5:**

## PERFORMANCE OF CG CONSUMER PRODUCTS

RS. CRORE

CG CONSUMER	FY 2014	FY 2015	GROWTH
Net Sales	2,899	3,233	11.5%
EBIDTA	349	414	18.6%
EBIT	337	401	18.9%
Capital Employed	121	(559)	-561.4%
ROCE	278.5%	-	NA



CG continued its leadership status in the residential pump segment with 27.5% market share

- Upgraded lighting automation options to address growing need of energy efficient solutions.
- The lighting and luminaires business generated cash of Rs.44 crore in FY2015, up by 19% compared to the previous year.

#### FANS

- Showed an overall sales growth of 14.3% to Rs.1,414 crore in FY2015.
- Generated cash of Rs.197 crore — up by 49% over the previous year.
- Continued to remain the leader with a 26.6% market share. In fact, it improved its leadership position by 1.1 percentage points over the previous year.
- Crompton fans are the only ones in India to have sold over 10 million units for the second consecutive year.
- Developed additional capacity of 0.74 million units/year at Kundaim. The Baddi unit's production increased by 32% and crossed the 2 million mark.
- Revenue from premium fans grew by 32%. These models contribute to 9% of revenue. In

FY2015, 26 new models were introduced in the areas of (i) energy efficient ceiling fans, (ii) premium range ceiling fans, and (iii) table, pedestal and wall range fans, which resulted in over 4.8% revenue from new products introduced in the course of the year.

- The business maintained negative capital employed.

#### PUMPS

- FY2015 sales grew by 12.8% to Rs.656 crore versus a market growth of 5%. Thus, the business improved its market share from 12.9% to 13.4%
- Generated cash worth Rs.92 crore in FY2015 — up from Rs.78 crore in the previous year.
- Continued its leadership status in the residential segment with 27.5% market share.
- New product sales accounted for 32% of net sales. Introduction of stainless steel submersible pumps helped capture new markets and applications.
- Solar pumping system developed up to 5HP.

#### APPLIANCES

This business is relatively small and achieved net sales of Rs.203 crore in FY2015 — an 8.9% increase over the previous year. It supplies a range of domestic appliances in four major product categories: water heaters/geysers, small appliances, power solutions and air coolers/heaters. Overall, 34 new products were launched in FY2015, involving new models of air coolers, mixer grinders, rice cookers and voltage stabilisers. New products contributed to a revenue of Rs.36 crore; revenue from premium products doubled in the year.

#### AFTER SALES SERVICE

A few years earlier, CG launched its after sales service. Over time, it has become a key differentiator for the business. The total number of authorised service centres (ASCs) have crossed 500. These have achieved 86% speed of resolution, within 48 hours of the complaint. The business also initiated a D2H (Direct to Home) project through its ASC network to promote the sale of other

**CG has partnered with the Hay Group in a global initiative to evaluate and grade all critical roles worldwide. This initiative will be a critical input to align roles.**

Crompton products. During the year, this project reached 160,000 households and created additional sale of Rs.5 crore.

## **SIX SIGMA AND SUPPLIER QUALITY ASSESSMENT**

Six Sigma seeks to improve the quality of process outputs by identifying and removing the causes of defects, and minimising variability in manufacturing and business processes. It uses defined methods including statistical tools, and conducts projects through a set of people in the organisation — called Black Belts (BB) and Green Belts (GB) — who are specially trained in these methods.

CG has been following Six Sigma for several years, especially in India. Given below are some facts of Six Sigma in CG for FY2015.

- 172 new executives were trained within and outside India. Of these, successful candidates were certified as BB or GB.
- 51 BB and 405 GB projects completed during the year, and handed over to the respective businesses.
- It is estimated that Rs.25.5 crore was saved in FY2015 through Six Sigma.

In addition, CG continued with its supplier quality assessments. All critical vendors were assessed, as they have been each year. For FY2015, 430 vendors assessed. Any new supplier had to score '3-stars' in the assessment to be added to the CG supplier base; and those who did not meet the standard or delayed their assessment ran the risk of having themselves locked out of the enterprise-wide SAP system. This drive has improved the incoming quality of supplies of critical parts.

## **HUMAN RESOURCES (HR)**

The key focus during FY2012 to FY2014 was the launch and rollout of the 'ONE CG' organisational deployment, building Centres of Excellences (CoEs) in HR to improve functional capability and significantly enhancing delivery capability of HR processes to enable business performance through the Global HR Shared Services.

In FY2015, there was a special emphasis on augmenting our management bandwidth. We relied more on external hiring as a conscious strategic decision. Many of our transitioning Executive Committee (EC) members were replaced with both external and Avantha group talent to bring in fresh perspectives.

In our attempt to improve performance culture, we rechristened our Performance Management Process as **PRIDE** which stands for **P**ersonal **R**esponsibility **I**n **D**elivering **E**xcellence. We improved the quality, content and timeliness of goal-setting, performance reviews, coaching and the feedback process.

In FY2015, there was a special focus on rolling out the Consumer BU demerger. We looked at all the people processes with a view to optimise costs and reduce both production and non-production overheads. We looked at the organisational structure and realigned this with the business for more effective execution. We also streamlined the India sales organisation and activities with uniform practices across the different units. A restructuring exercise was carried out for our drives and automation business in Sweden to reduce overheads and streamline operations. A special taskforce consisting of representatives from senior leadership was appointed to facilitate CG's joint venture with PLN, Indonesia.

With the help of CGHR4U, our global online employee lifecycle management portal, we have almost all the associates working across different geographies on the same platform. This has led to greater integration of our people practices and systems. To improve personal effectiveness, we launched 7 Habits across all our markets and a special course on Personal Effectiveness to impart critical competencies to our managers. In our effort to build a more effective global cadre of professionals, we launched a new set of guidelines for international assignments limiting the tenure to two plus one year. We plan to rotate expatriates on a regular basis to key assignments at home to bring about greater global perspective in our operations. These rotations should help us widen and strengthen our global cadre, which is a key to successfully running international operations. Many of our long-serving expatriates were either repatriated or localised in their respective geography.

## **CG PERFORMANCE MANAGEMENT SYSTEM (CG PMP)**

The Global CG Performance Management Process (CG PMP) includes three major stages: (i) goal management, (ii) mid-year review, and (iii) annual assessment. In FY2015, we successfully completed all three on time with the right level of rigour.

Our priority was building awareness, buy-in and instilling a sense of ownership towards



the integrated performance management process. As mentioned earlier, to build this ideology, we rechristened the online CGPMP process as **PRIDE**, or **Personal Responsibility In Delivering Excellence**, to represent an individual's commitment for excellence and performance delivery.

PRIDE was adopted by all eligible white collar employees. On-going support was available to all employees in their use of PRIDE. Extensive communication and awareness helped in driving process rigour and compliance to timelines.

The new process and system incorporates improvements from last year, including behaviour assessment based on the Avantha Competency Framework, potential assessment at leadership level and identifying development opportunities for employees. Additional features also include 'Internal Feedback' and a performance rating linked 'PEP, or Performance Enhancement Programme' for developing of low performers.

## **TALENT ACQUISITION AND SUCCESSION PLANNING**

In FY2014, in an effort to move from tactical to strategic hiring, Talent Acquisition (TA) initiated a number of process and system changes. During FY2015, most of these changes were implemented. Today, there is a high level of robustness in the process globally with predictability in outcomes — all tracked in the internal MIS generated in CGHR4U. This MIS is central to globally integrating our TA practices.

We ensured proactive hiring for positions that lacked internal succession depth — especially critical senior positions. CG rolled out detailed Talent Reviews across levels in the organisation, starting from the top. Managers were required to assess their talent pipeline, analyse succession depth for all critical positions, and identify ready-now and near-term successors for these positions, along with development planning for such individuals. Going forward, TA will continue taking inputs from Talent Reviews, identify talent gaps and ensure smooth talent supply to the organisation.

## **CROMPTON GREAVES PRODUCTION SYSTEM (CGPS)**

CGPS sets norms and evaluates productivity for blue collared workers on shop-floors. In FY2015, the new manufacturing facilities of Drives and Automation in India, the Traction Electronics Unit and the Lighting Division at Baddi were covered under CGPS. Re-calibration of CGPS norms at all

units was also completed, which gave an opportunity to workmen to enhance their earnings by accomplishing stretch targets. The CGPS database has been upgraded across all production units in India and some abroad, which has enabled faster generation and better management of the CGPS data. The consequence has been an increase in manpower productivity.

The good news is that CGPS was successfully implemented at the Winnipeg plant in Canada, which led to an effective increase in plant capacity and optimisation of workforce. It is at an advance stage of completion in the units in USA and Ireland.

## **GLOBAL HR SHARED SERVICES AND PROCESS AUTOMATION**

Global Shared Services is striving to provide HR professionals the wherewithal to focus on value adding tasks — while administrative tasks are transferred to a shared service delivery centre. In FY2015, we achieved a higher degree of automation in the areas of Global Performance Management System combined with Annual Compensation Review Tool, Mobile Technology in HRIS, installed web-kiosks for workmen at the Baroda plant connecting them to HRIS and the Workmen Self-Service Portal. We expect to have web-enabled kiosks at all production units by March 2016.

In FY2016, HR Shared Services at CG India will use HR automation right from an offer to a candidate until exit. The complete employee life cycle management will be under a single umbrella. Our project for Centralised Global Payroll has been planned in a phased manner, keeping in mind operational efficiencies and cost-effectiveness. Digitisation of documents and creating a paperless office in HR administrative function is another key initiative in the coming year.

## **DIVERSITY AND INCLUSION**

In line with our commitment to embrace, value, and respect diverse cultures as well as promote multiplicity, we celebrated CG Diversity Day across CG locations from 6 March to 15 March 2015. Different events were organised around our Diversity theme for this year: 'Celebrate, Advocate and Educate!'

- A video featuring CG employees across the globe expressing their thoughts on 'What Diversity Means to Them' was showcased at CG locations on Diversity Day.

- CG Diversity Day also celebrated the success of **SHINE**, the Executive Certification in Leadership for Women — a programme which was launched last year to support CG women employees to hone their talent and enhance performance by nurturing their skills and knowledge. Sixteen participants completed this programme successfully and were felicitated with convocation certificates.

## **AVANTHA GROUP PEOPLE SURVEY (AGPS)**

AGPS was conducted across all Avantha companies to measure the degree of alignment of senior leaders to Avantha values and to improve employee engagement across levels. As before, CG continued to focus on the areas of (i) Enabling Environment, (ii) Organisational Identity, (iii) Employee Development, and (iv) Performance and Recognition. Feedback from workshops involving senior leaders and group discussions with employees provided an understanding of the issues and served as a basis for action planning. The action plans are being implemented and improvements are beginning to be visible in core processes like succession planning, performance and talent management, talent acquisition, and compensation and rewards.

## **OTHER HR PROGRAMMES**

- **RECOGNIZE**, our global peer-to-peer employee recognition programme, connects CG's workforce to its core values of customer orientation, intellectual honesty, leading edge knowledge, nurturance and performance excellence. The programme's uniformity has brought employees close across the globe. More than 1,000 winners have been felicitated with Certificate of Excellence for their outstanding achievements. Nearly 150 individuals won the TrailBLAZER award and 100 teams won the SuperSTAR award globally for their commendable work as part of Quarterly Awards. RECOGNIZE's annual awards honoured 18 individuals and 26 teams for their exemplary achievements. In addition, two special award categories were introduced, namely, LEADERSHIP Award and Annual CEO Award.

- **Campus @ CG**. In continuing with the efforts started during FY2014, CG continued to invest in young talent by hiring fresh engineers and M.Sc. from reputed institutions. In India, the last batch of 70+ young people were inducted and placed on the shop-floor.

● **CG Global Leadership Development Programme (CG GLDP).** CG GLDP was launched targeted at (N-2) leaders. The initiative consists of nine months of leadership inputs consisting of three modules, team projects and assignments, and bringing CG Board and senior leaders to share their learning. There were 20 participants across CG's global operations. A module in Indonesia and another at Mumbai was well received by the participants. Subsequent to the programme, some of the participants were given higher responsibilities.

● **Frontline Supervisory Development Programme (FSDP).** We continued the FSDP, which was launched in September 2013. The programme enables supervisors to be more effective in their roles as first-level leaders within the company. The three-day programme blends classroom, experiential learning and sessions by senior management. In FY2015, 150 employees across various CG's locations and units in India were trained.

● **SHINE, Executive Certification in Leadership Programme for Women.** SHINE was initiated across CG locations globally to assist women managers to unleash their potential by providing opportunities for professional and personal development. The first batch was completed with considerable success. The second batch was launched in FY2015 with 30 participants.

● **Avantha Young Executives Programme (AYEP).** This Avantha Group HR initiative is a development programme for entry level talent. With an objective to create a middle level talent pool to address future needs, the programme is offered to early career high potential employees. This year-long programme consists of e-learning modules, case studies and an action learning project. We have tied up with Symbiosis Institute of Business Management as our education partner. The third batch of AYEP consisting of seven participants was launched this year. Successful AYEP participants graduate to AYEP Plus and undergo a five-year inter-company, inter-geography and inter-functional rotation.

● **Young Researcher Programme.** This is an initiative with a vision to build and strengthen CG Technology Leadership pipeline. The first batch commenced its year-long journey in February 2014, and completed it in February 2015. There are four modules which focus on developing capability, improving the R&D mind-set and overall personality of the

researchers. The content has been designed and delivered in coordination with the knowledge partners from prestigious institutes and organisations.

#### HAY JOB EVALUATION

We have partnered with the Hay Group in a global initiative to evaluate and grade all critical roles worldwide. This initiative will be a critical input to align roles, career movements and rewards across the globe. The exercise involves extensive capability building efforts and participation of business leaders.

#### INDUSTRIAL RELATIONS

Industrial relations with workmen and the unions representing them continued to be cordial in the FY2015. Three collective agreements were negotiated and signed in India, of which two were with the recognised trade union, and one was signed with all individual workmen. All wage agreements have been signed for a term of five years. The benefits of these wage agreements will be applicable to 540 permanent blue collar workmen of CG working in the three units.

We had special agreements with our union in Canada and Belgium for temporary layoff to realign our manpower requirements. We closed our Stamping Division at Mumbai with a constructive understanding with the unions.

Management-union interactions during collective negotiations were amicable. Workmen and union support required in implementation of programme towards quality, cost and productivity improvements were also the key points of all the agreements. Regular dialogue with the workers' unions have helped in maintaining a harmonious work environment.

#### ENVIRONMENT, HEALTH AND SAFETY (EHS)

CG is committed to minimise the adverse impact on the environment and safety at workplace, by protecting and enhancing the well being of our employees, visitors and partners as EHS is the number one priority in CG. In FY2015, our EHS agenda consisted of two key thrusts:

- A renewed focus of enhancement of currently implemented EHS systems and processes.
- Globally drive the EHS campaign and awareness through 'One CG EHS' concept. Several measures have been implemented and enhance EHS systems and processes,

and these continue to deliver results. EHS is now a key responsibility of the entire line management. Employees across the company were trained and educated about EHS measures at work. In several locations, we actively engaged with local authorities to minimise EHS risk. We also continued to focus on being an 'Injury Free' and 'Zero Environment Incident' organisation. In doing so, we also created more stringent norms for reporting 'Near Miss' incidents by adopting Bird's Triangle Model on EHS — which states that 300 near miss incidents typically result in 30 accidents, of which 10 are serious, and one could be fatal. Thus, if the base is halved, the chain gets reduced. Based on this model, we have set aggressive targets for closure of corrective actions arising out of EHS events. These plus EHS audits and safety observation tours have led to improvements in safety standards across the organisation.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

CG's work on CSR is appended with the Directors' Report.

#### FINANCIAL PERFORMANCE

This section begins with CG' standalone results, after which it moves on to the financial performance of the overseas entity before, finally, the consolidated financials for the Company.

#### CG: STANDALONE FINANCIAL PERFORMANCE

The standalone results of CG for the year ended 31 March 2015 and 2014 are given in **Table 6**. **Table 7** shows the key ratios (profitability, assets efficiency and leverage ratios) of the entity for FY2015 and FY2014.

- Gross sales, or revenue from operations grew by 2.8% to Rs.8,216 crore in FY2015. Net sales and services increased by 3.5% to Rs.7,837 crore.
- Raw material costs as a share of net sales went up by 40 basis points to 74.3%. In absolute terms, this head of cost increased by 4% — which was 50 basis points more than the growth in net sales.
- Operating EBIDTA increased by 5.9% to Rs.653 crore in FY2015.
- Operating PBT grew by 5.8% over the previous year to Rs.581 crore.

**TABLE 6:****STANDALONE PERFORMANCE OF CG**

RS. CRORE

YEAR ENDED 31 MARCH	FY 2014	FY 2015
Revenue from operations	7,994	8,216
Less: excise duty	423	379
Net sales and services	7,571	7,837
Cost of raw materials and components consumed and construction material	5,598	5,822
Employee benefits expense	476	523
Other expenses	880	839
EBIDTA excluding other income (OI)	617	653
Other income (OI)	70	105
EBIDTA Including OI	687	758
Finance costs	(22)	(24)
Depreciation and amortisation	89	96
PBT excluding OI	550	581
PBT Including OI	620	686
Exchange Gain / (Loss)	93	(47)
Exceptional items	-	260
PBT	713	899
Less: tax expenses		
Current tax	168	173
Deferred tax	24	(5)
PAT	521	731

**TABLE 7:****STANDALONE PERFORMANCE OF CG — KEY RATIOS**

YEAR ENDED 31 MARCH	FY 2014	FY 2015
<b>Profitability Ratios</b>		
EBIDTA excluding OI / Net Sales	8.1%	8.3%
EBIDTA including OI / Net Sales	9.1%	9.7%
PBT / Net Sales	9.4%	11.5%
RONW	15.5%	18.2%
ROCE (at year-end capital employed)	17.3%	13.8%
Cash ROCE	19.9%	15.8%
EPS (In Rs. per share)	8.23	11.67
Cash EPS (In Rs. per share)	10.01	13.13
<b>Leverage Ratios</b>		
Total Debt To Equity	0.0	0.2
Interest Coverage Ratio	NA*	NA*
<b>Assets Efficiency</b>		
Net Sales To Gross Working Capital (Times)	1.9	1.6
Net Sales To Net Working Capital (Times)	4.2	2.7

Note: \* With credits, the interest pay-out was negative both in FY2014 and FY2015 (see Table 6 above). Thus, the interest coverage ratio has no meaning.

**TABLE 8:****CONSOLIDATED FINANCIAL PERFORMANCE OF THE OVERSEAS ENTITIES**

YEAR ENDED 31 MARCH	FY 2014		FY 2015	
	RS. CRORE	US\$ MILLION	RS. CRORE	US\$ MILLION
Revenue from Operations	6,213	1,029	6,254	1,023
EBIDTA excluding Other Income (OI)	(2)	(0)	(38)	(6)
Other Income (OI)	83	13	53	9
EBIDTA including OI	81	13	15	3
Finance cost	115	19	122	20
Depreciation and Amortisation expenses	166	27	159	26
PBT excluding OI (Before Exceptional & Prior period items)	(283)	(46)	(319)	(52)
PBT including OI (Before Exceptional & Prior period items)	(200)	(33)	(266)	(43)
Exceptional items*			(170)	(28)
PBT before prior period items	(200)	(33)	(436)	(71)
Prior period items	-	-	(18)	(3)
PBT before tax	(200)	(33)	(454)	(74)
Less: Tax Expenses				
Current Tax	25	4	27	4
Deferred Tax	19	3	28	5
PAT	(244)	(40)	(509)	(83)
Minority Interest	1	0	2	0
Share of Profit / (Loss) of Associates	(18)	(3)	(3)	(1)
PAT Carried Forward to the Balance Sheet	(261)	(43)	(510)	(84)
Foreign Exchange Rate for US \$1		60.3575		61.1097

Note: \* The exceptional items include project cost written off, litigation claims & warranty claims

**TABLE 10****CG'S CONSOLIDATED FINANCIAL PERFORMANCE, KEY RATIOS**

	FY 2014	FY 2015
Profitability Ratios		
EBIDTA excluding OI / Net sales	4.5%	4.6%
EBIDTA including OI / Net sales	5.6%	5.5%
PBT / Net sales	3.6%	3.1%
RONW	7.0%	5.7%
ROCE (terminal)	8.5%	7.8%
Cash ROCE (terminal)	12.9%	11.9%
Per Share Ratios		
EPS (Rs. per share)	3.86	3.34
Cash EPS (Rs. per share)	8.67	7.86
Leverage Ratios		
Total Debt to Equity	0.4	0.5
Interest coverage ratio	7.9	7.4
Assets Efficiency		
Net sales to gross working capital (times)	2.0	1.9
Net sales to net working capital (times)	9.2	5.7

**TABLE 9:****CG'S CONSOLIDATED FINANCIAL PERFORMANCE**

YEAR ENDED 31 MARCH	FY 2014		FY 2015	
	RS. CRORE	US \$ MILLION	RS. CRORE	US \$ MILLION
Gross sales and services	14,058	2,329	14,393	2,355
Less: excise duty	426	71	380	62
Net Sales and Services	13,632	2,258	14,013	2,293
Cost of raw materials and components consumed and construction material	9,136	1,513	9,530	1,560
Employee Benefits	1,952	323	1,994	326
Other Expenses	1,932	320	1,847	302
EBIDTA excluding OI	612	102	642	105
Other Income (OI)	149	24	128	21
EBIDTA Including OI	761	126	770	126
Finance Costs	97	16	105	17
Depreciation and Amortisation	262	43	262	43
PBT excluding OI	253	43	275	45
PBT Including OI ( Before Exceptional Item)	402	67	403	66
Exchange gain / (loss)	93	15	(47)	(8)
Exceptional Item	-	-	90	15
PBT before prior period	495	82	446	73
Prior period	-	-	(18)	(3)
PBT after Exceptional item	495	82	428	70
Less: Tax Expenses				
Current Tax	194	32	201	33
Deferred Tax	43	7	21	3
PAT (before Exchange gain / (loss), Exceptional Item and Prior Period items)	165	28	181	30
PAT (after Exchange gain / (loss), Exceptional Item and Prior Period items)	258	43	206	34
Minority Interest	1	0	1	0
Share of Profit /(Loss) of Associates	(15)	(2)	2	0
PAT after minority interest and share of associate companies	244	41	209	34
Exchange rate for US\$1		60.3575		61.1097

- Thanks to an exceptional item — sale of excess land at Kanjur Marg, Mumbai — PAT increased by 40.3% to Rs.731 crore.
- The ratio of operating EBIDTA to net sales increased by 20 basis points to 8.3% in FY2015.
- RONW grew by 2.7 percentage points to 18.2% in FY2015. Given the competitive environment facing the B-to-B businesses, this has been a good performance compared to other peers in the industry.
- Because of higher capital employed, the ROCE has dropped by 3.5 percentage points to 13.8% at the end of FY2015. Again, this is the highest ROCE among all significant competitors in the sectors that CG India operate.

**CG: OVERSEAS FINANCIAL PERFORMANCE**

The consolidated financial performance of all overseas entities is given in **Table 8**.

**For the CG overseas entities:**

- Revenue from operations decreased by 0.6% to US\$ 1,023 million in FY2015. In terms of the Indian rupee, this grew by 0.7% to Rs.6,254 crore.
- In US\$, operating EBIDTA fell from zero in FY2014 to a loss of US\$ 6 million (or Rs.38 crore) in FY2015.
- The operating PBT worsened from a loss US\$ 46 million in FY2014 to a loss of US\$ 52 million in FY2015.

- Losses at the PAT level (before minority interests and share of associate companies) have increased from US\$ 40 million in FY2014 to US\$ 83 million in FY2015.

**CG: CONSOLIDATED FINANCIAL PERFORMANCE**

**Table 9** gives the consolidated performance of CG, while **Table 10** gives the key ratios.

- Net sales and services: In rupees, it grew by 2.8% to Rs.14,013 crore in FY2015. In terms of US\$, it grew by 1.5% to US\$ 2,293 million. It needs mentioning that FY2015 is the fifth successive year when CG's consolidated net sales and services has exceeded US\$ 2 billion.



CG's Gas Insulated Switchgear offers the latest technology at an affordable cost to suit different network configurations

- Operating EBITDA increased by 5% in rupees to Rs.642 crore in FY2015, and by 3.7% in US dollars to US\$ 105 million.
- Operating PBT (before other income) rose by 8.8% to Rs.275 crore in FY2015; and increased by 7.5% to US\$ 45 million.
- PAT (after exceptional items, exchange gains or losses and prior period items, but before minority interests and share of associate companies) reduced by 20.2% Rs.206 crore. In terms of US dollars, it dropped by 21.9% to US\$ 34 million.

Some ratios have deteriorated on account of the performance of CG's overseas entities. The consolidated RONW reduced by 1.3 percentage points to 5.7%; and the ROCE at the end of FY2015 was 7.8%, or 70 basis points less than what it was at the end of the previous year.

## RISK MANAGEMENT

Crompton Greaves continues to deploy a well articulated risk management framework.

This is based upon a three-tiered approach encompassing (i) enterprise risks, (ii) process risks, and (iii) compliance risks.

Enterprise risk identification and mitigation initiatives are managed through an on-going action agenda between the corporate risk department and each of the businesses, as well as for the Company as a whole. The coverage extends to all key business exposures as well as to lost opportunities — both internal and external — that are identified in conjunction with the businesses. After getting a measure of each such enterprise risk, the corporate risk department tracks the mitigation actions.

Process risk management involves assurances by the Company's internal audit department regarding the effectiveness of business and financial controls and processes in all key activities across the various businesses.

Compliance risk management comprises a detailed mechanism of assurances with respect to adherence of all laws and regulations in every country, with a comprehensive reporting process that cascades upwards from the

accountable business line executives to CG's fiduciary Risk and Audit Committee (RAC) and then on to the Board of Directors.

The outcomes of business review meetings conducted by management and internal audit regarding processes and their compliance, as well as observations of the RAC and the Board of Directors are continuously incorporated to capture new risks and update the existing ones.

All three dimensions of CG's Risk Management framework are reviewed annually for their relevance and modifications, as required. The businesses and internal audit make regular presentations to the RAC for detailed review. The risk management process, including its tracking and adherence, is substantially e-enabled for greater consistency and better reporting capabilities.

## INTERNAL CONTROLS AND THEIR ADEQUACY

CG believes that a strong internal controls framework is an essential pre-requisite of growing its businesses. To that end, it has an

effective and efficient internal control system to conduct the audit of various divisions, sales offices, corporate headquarters and overseas operations. The internal audit team focuses primarily on operational and systems audits that monitor compliance with defined authority delegation matrix of the Company.

Annual internal audit plan covers key areas of operations. This is vetted by Board-level RAC, which is updated every quarter — and occasionally between successive quarters — of the significant internal audit observations, compliance with statutes, risk management and control systems. The RAC assesses the adequacy and effectiveness of inputs given by internal auditor and suggests improvement for strengthening internal controls from time to time.

CG's internal controls have been designed to provide a reasonable assurance with regard to maintaining of proper internal controls, monitoring of operations, protecting assets from unauthorised use or losses, compliances with regulations for ensuring reliability of financial reporting. The Company uses SAP as its key data and analytics tool — which has over the years considerably enhanced the internal control mechanism.

As recommended by RAC, internal audit has developed and extended an internally coded Risk Control Framework (RCF) software across the Company. This helps in understanding the risk and control environment from the perspective of each unit — be it a division or a marketing/sales office. The RAC periodically reviews the findings of RCF and suggests improvements where needed.

## **A SUMMARY AND THE OUTLOOK**

For all the good news coming out from different parts of CG, the year has been financially and operationally disappointing for the Company. After the excellent growth in top line and turnaround in profitability witnessed in FY2014, shareholders would have expected a continuation of such performance in FY2015. Unfortunately, that did not happen, for reasons given earlier.

The signals are clear that India will be the focus of growth in the coming years. Not just for the domestic market but as the manufacturing base for the export of transformers, switchgears, rotating machines, drives and products that couple the intelligence of automation with electromechanical power. Other than India, which is expected to grow at a healthy pace and

create robust demand for various types of electromechanical products that CG excels in, there are serious growth opportunities in South East Asia and the Pacific region, the Middle East and North Africa, several countries of sub-Saharan Africa, the Caucasian region and parts of Latin America — all of which can be serviced through world class manufacturing in India, backed up by intelligent automation solutions devised either in India or by the Company's facilities in Spain.

Compared to Western Europe and North America, India enjoys serious comparative advantages in the manufacture of electromechanical devices. It has the engineering skills. It has cost advantages. CG's Indian enterprises understand the power of throughput and productively, and the importance of turning around working capital better than most others in the world. That is the opportunity which CG will look forward to seize in FY2016 and thereafter.

CG will look to focus itself as a dominantly India based global company — leveraging its physical capacities and human skills to competitive produce transformers, reactors, switchgears motors, drives, automation systems and traction equipment not only for its rising needs, but also for the world.

It is a challenge worth taking, notwithstanding the demerger of the cash rich consumer products business. But it can be done. By refocusing on radically restructuring or parsing unprofitable lines of business; and by recreating dedicated teams that concentrate only on achieving stretch goals. CG has done it before. It can do so again.

Thus, if we refocus at CG — with its sound portfolio of power products and systems, automation, rotating machines, drives, and traction electronics and traction machines — and work according to our strengths, we could be witnessing another period of growth from FY2017. Therefore, even in a difficult time such as this, there are reasons to be cautiously optimistic. And to ensure that the 'cautious optimism' finally results in better performance and shareholder value.

I urge all my colleagues across CG to take up this challenge.



**Laurent Demortier**  
**CEO AND MANAGING DIRECTOR**

Mumbai, 28 May 2015

## **CAUTIONARY STATEMENT**

The management of Crompton Greaves has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, may include amounts based on informed judgements and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Management has based these forward looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

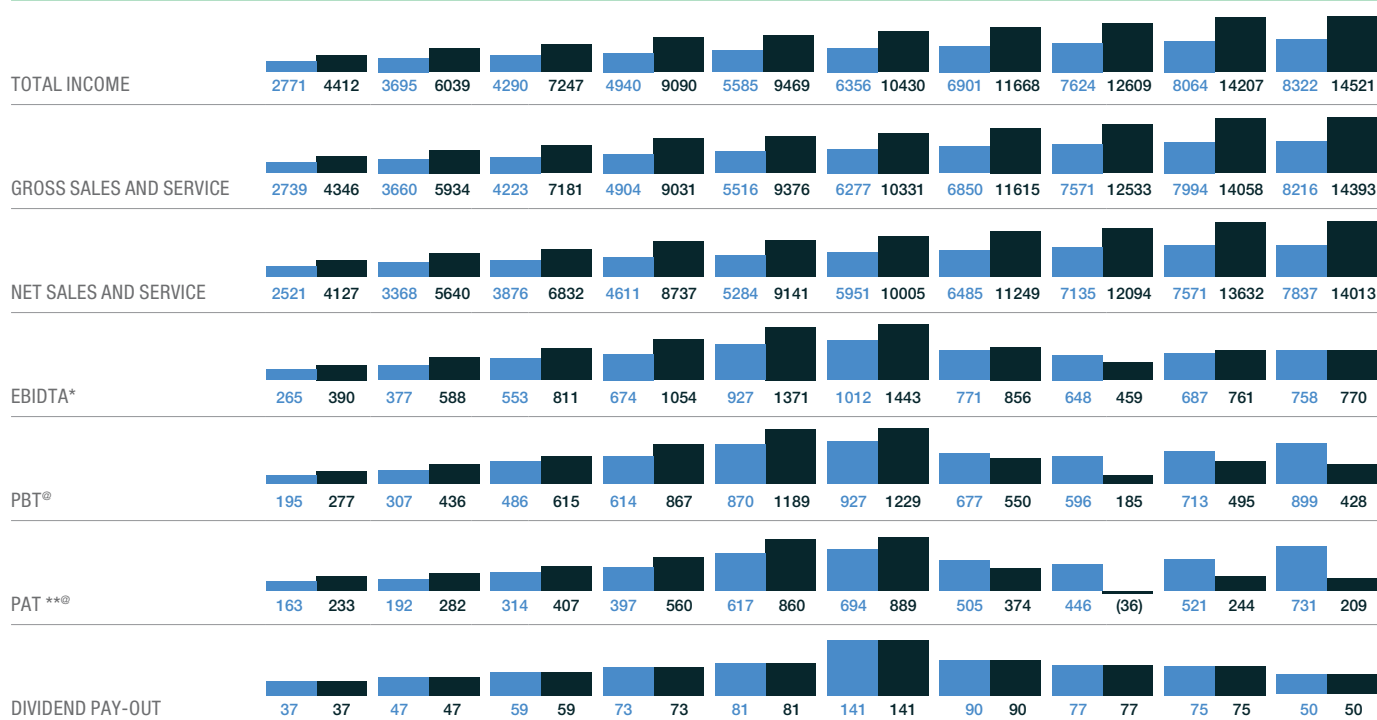
# TEN YEARS' HIGHLIGHTS

stand-alone   
consolidated 

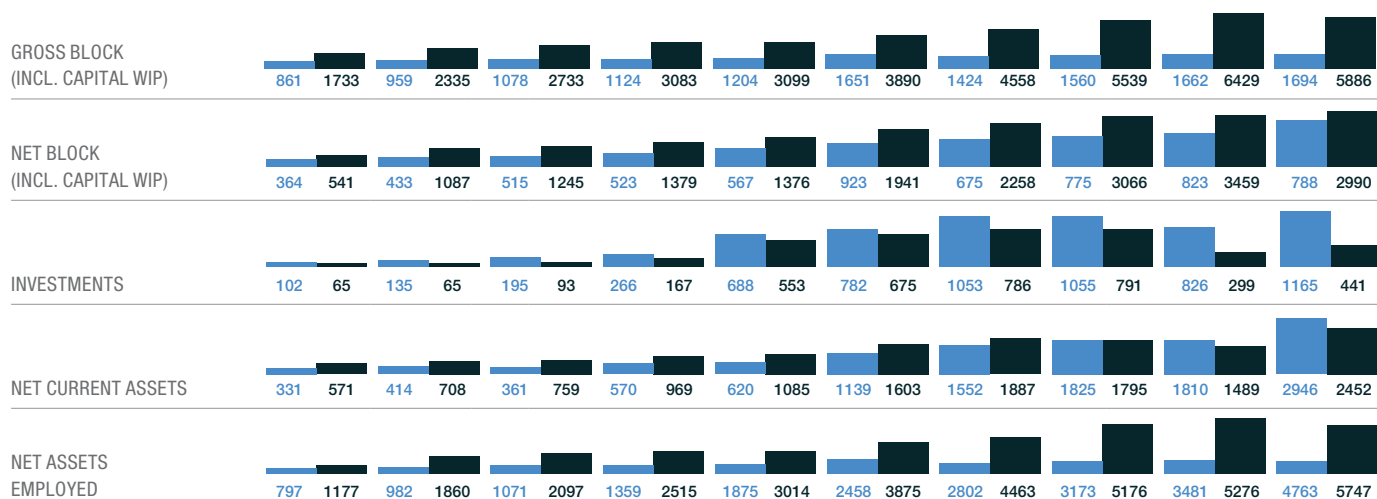
2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

## EARNINGS

YEAR ENDED 31ST MARCH, IN RS. CRORE



## WHAT THE COMPANY OWNED



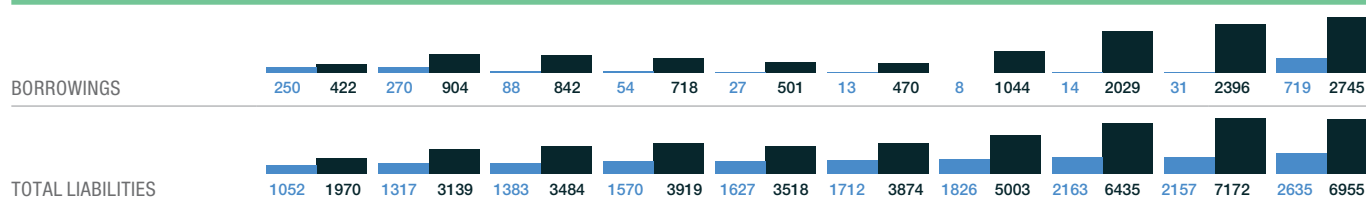
\* EBIDTA = Earnings before Interest, Depreciation, Amortisation, Tax, and Exceptional Item \*\* Profit after tax, Minority Interest and Share of Associate Companies for Consolidated Profit and Loss Account @ After exchange gain/(loss), exceptional items and prior period items.



2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

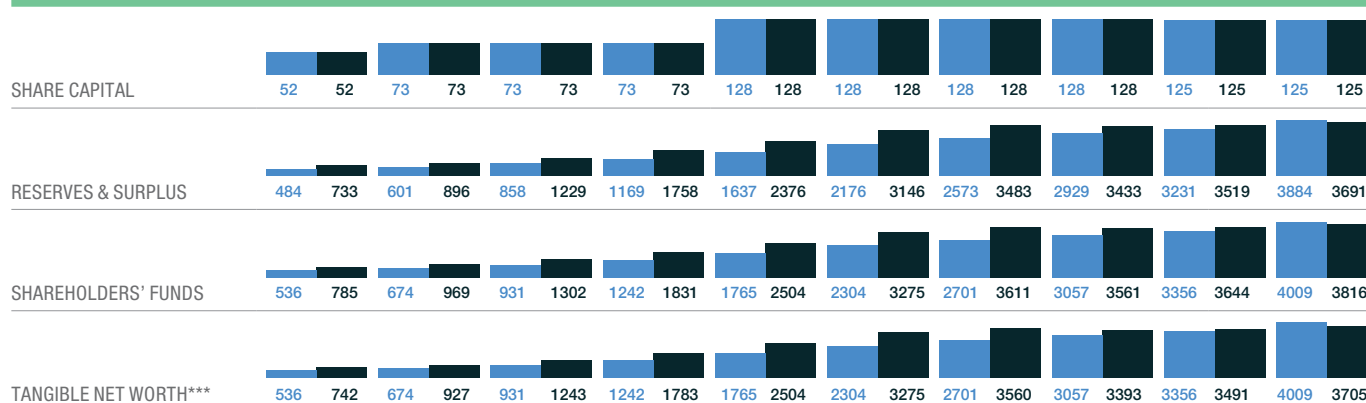
## WHAT THE COMPANY OWED

YEAR ENDED 31ST MARCH, IN RS. CRORE



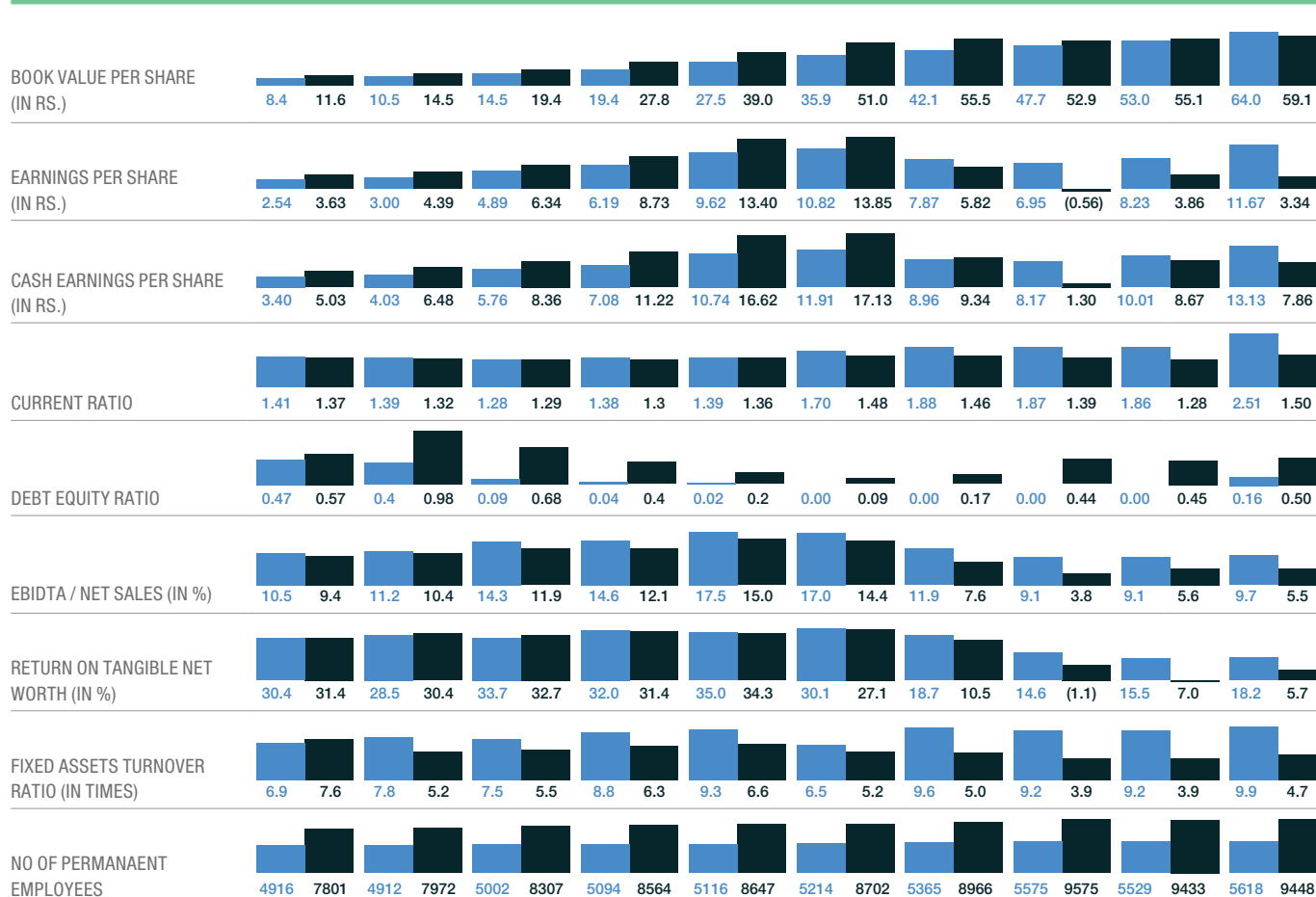
## NET WORTH OF THE COMPANY

YEAR ENDED 31ST MARCH, IN RS. CRORE



## RATIOS

YEAR ENDED 31ST MARCH



\*\*\* Tangible Net Worth = Shareholders' Funds – Miscellaneous Exps. (unamortised) – Deferred Tax Asset (net)

# DIRECTORS' REPORT

## To The Members,

Your Directors are pleased to present their Seventy Eighth Annual Report on the business and operations of the Company (or “CG”) and the accounts for the financial year ended 31 March 2015.

### THE YEAR IN RETROSPECT

The consolidated net revenue of the Company during 2014–2015 grew by 2.8% at Rs.14,013 crore, as compared with Rs.13,632 crore last year. The Company has achieved a stand-alone net turnover of Rs.7,837 crore, during the year under review, as compared with Rs.7,571 crore during the previous year, a rise of 3.5%.

Consolidated profit before tax decreased to Rs.428 crore, as compared with Rs.495 crore in the previous year, a decrease of 13.4% over last year. Stand-alone profit before tax increased from Rs.713 crore to Rs.899 crore, an increase of 26.3%.

Consolidated profit after tax is Rs. 209 crore as compared with consolidated profit after tax of Rs.244 crore in the previous year, a decrease of 14.3%. The Company recorded a stand-alone profit after tax of Rs.731 crore, an increase of 40.3% from Rs.521 crore last year.

The Sales and Profit Before Interest and Tax (PBIT) of the respective Business Groups, compared with last year is given in **Table 1**.

A detailed review of the operations and performance of the Company and each Business Group as well as the Company’s International operations is contained in the Management Discussion and Analysis Report, which is given as a separate chapter in the Annual Report.

### AMALGAMATION

The Board of Directors, at their meeting held on 29 January 2014, approved the amalgamation of CG-ZIV Power Automation Solutions Limited (CG-ZIV) and CG Energy Management Limited (CGEM), wholly owned subsidiaries of the Company, with the Company, for simplification of the shareholding structure and operational synergies, as reported in the previous year’s Directors’ Report.





**TABLE 01**

**SALES & PROFIT BEFORE INTEREST AND TAX (PBIT)**

IN RS. CRORE

SALES		PBIT	
<b>POWER SYSTEMS (CG STAND-ALONE)</b>			
<b>2734</b>	<b>2,843</b>	<b>223</b>	<b>259</b>
2014-2015	2013-2014	2014-2015	2013-2014
<b>INDUSTRIAL SYSTEMS (CG STAND-ALONE)</b>			
<b>1504</b>	<b>1,499</b>	<b>152</b>	<b>153</b>
2014-2015	2013-2014	2014-2015	2013-2014
<b>CONSUMER PRODUCTS</b>			
<b>3233</b>	<b>2,899</b>	<b>401</b>	<b>337</b>
2014-2015	2013-2014	2014-2015	2013-2014
<b>POWER SYSTEMS (INCLUDING INTERNATIONAL OPERATIONS)</b>			
<b>8574</b>	<b>8,536</b>	<b>135</b>	<b>234</b>
2014-2015	2013-2014	2014-2015	2013-2014
<b>INDUSTRIAL SYSTEMS (INCLUDING INTERNATIONAL OPERATIONS)</b>			
<b>1841</b>	<b>1,857</b>	<b>140</b>	<b>128</b>
2014-2015	2013-2014	2014-2015	2013-2014

CG's Automation solutions are a unique mix of knowledge in protection, control, communication and metering technologies

**The Board believes that the demerger will create greater independence and flexibility in pursuing growth opportunities for the B2B and B2C businesses under two stronger and independent entities and thereby unlocking shareholder value.**

A Scheme of Amalgamation filed with the Hon'ble High Court of Bombay was duly approved by the High Court and the said Scheme became effective on 25 March 2015, with 1 April 2014, as the appointed date.

The Amalgamation of CG -ZIV and CGEM with the Company has resulted in an increase in the Authorised Share Capital of the Company by Rs.46.60 crore.

Being wholly owned subsidiaries of the Company, the entire paid-up share capital of CG-ZIV and CGEM would be cancelled and both the companies would stand dissolved without winding up.

#### **DEMERGER**

The Company operates in two business domains – B2B comprising Power, Industrial and Automation businesses and B2C which comprises the Consumer Products

Business. With a view to create better growth opportunities for its two large but significantly different businesses, the Board of Directors have considered it prudent to demerge the B2B business and B2C business by transfer of the entire Consumer Products Business of the Company into a separate Company under a Scheme of Demerger. The Board believes that the demerger will create greater independence and flexibility in pursuing growth opportunities for the B2B and B2C businesses under two stronger and independent entities and thereby unlocking shareholder value.

After considering the comments from stakeholders and regulatory authorities, the Board approved a Scheme of Arrangement (Scheme) for the demerger at its meeting held on 3 March 2015, under which, the Consumer Products Business of the Company will be transferred into, Crompton Greaves



CG's Diversity Policy aims at attracting and retaining high calibre personnel from diverse geographies

Consumer Electricals Limited (CGCEL), which, upon demerger, shall be listed on the Stock Exchanges, subject to receiving regulatory and statutory approvals. The Scheme approved by the Board, proposes that upon sanction of the Scheme by the Hon'ble High Court of Bombay, the shareholders of the Company will be allotted one equity share of CGCEL for every equity share held in the Company. The Scheme has been filed in the High Court of Bombay for directions for convening meeting of shareholders of the Company for approval of the Scheme.

The Company has received an intimation from Avantha Holdings Limited, one of the entities of the promoter group of the Company, addressed to the Stock Exchanges announcing its intention to divest its 34.37% proposed shareholding in CGCEL to be allotted consequent to the sanction of the Scheme of Demerger, to one or more special purpose vehicles managed by Advent International Corporation, USA and a wholly owned subsidiary of Temasek Holdings (Private) Limited for an aggregate consideration of Rs 2000 crore, subject to requisite consents and approvals.

## DIVIDEND

The Company declared two interim dividends during the year :

- Rs.0.40 per equity share (20%) aggregating to a total dividend payout of Rs. 30.06 crore (including dividend tax) declared on 16 October 2014; the Record Date for this purpose was 27 October 2014; and the Interim Dividend was paid on 5 November 2014.
- Rs.0.40 per equity share (20%) aggregating to a total dividend payout of Rs.30.08 crore (including dividend tax) declared on 03 February 2015; the Record Date for this purpose was 09 February 2015; and the Interim Dividend was paid on 18 February 2015.
- The total dividend payout (including dividend tax) for the financial year 2014–15, as a percentage of the share capital works out to 48.00%

## RESERVES

The Reserves, on stand-alone basis, at the beginning of the year were Rs.3,231 crore. The Reserves at the end of the year are Rs.3,884 crore.

## DIRECTORATE

The appointment and remuneration of Directors is governed by the Remuneration

Policy of the Company which also contains the criteria for determining qualifications, positive attributes and independence of Directors. The Policy along with the CG Board Diversity Policy aims at attracting and retaining high calibre personnel from diverse educational fields and with varied experience to serve on the Board for guiding the Management team to enhanced organizational performance. The detailed Remuneration Policy is contained in the Corporate Governance section of the Annual Report.

The Company's Board comprises of nine member Board of Directors. The Chairman, Mr Gautam Thapar is a Non-Executive Director and represents the Promoter Group. Mr Laurent Demortier is the CEO and Managing Director. Five other Non-Executive Directors – Mr Shirish Apte, Mr Sanjay Labroo, Dr (Mrs) Colette Lewiner, Ms Meher Pudumjee and Dr Valentin von Massow are independent in terms of Clause 49 of the Listing Agreement and Companies Act, 2013. Two other Directors – Mr B Hariharan and Dr Omkar Goswami are Non-Executive Directors. The Directors are reputed professionals with diverse functional expertise, industry experience, educational qualifications, ethnicity and gender mix relevant to fulfilling the Company's objectives and strategic goals.

Mr Suresh Prabhu, Independent Director stepped down from his directorship of the Company, with effect from 7 November 2014. The Board places on record its gratitude and appreciation for Mr Prabhu's guidance to the Company during his tenure as a Director.

None of the Independent Directors are liable to retire at the forthcoming Annual General Meeting. All Independent Directors have submitted declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, and Clause 49 of the Listing Agreement.

As per the provisions of the Companies Act, 2013, Mr Gautam Thapar retires by rotation at the forthcoming Annual General Meeting; and being eligible, offers himself for re-appointment to the Board. His profile details are contained in the accompanying Notice of the forthcoming Annual General Meeting and in the Corporate Governance Report.

The Board of Directors met 8 times during financial year 2014–15. The details of the meetings and the attendance of the Directors are mentioned in the Corporate Governance Report.

The Board has established Committees as a matter of good corporate governance

**The Remuneration Policy along with the CG Board Diversity Policy aims at attracting and retaining high calibre personnel from diverse educational fields and with varied experience to serve on the Board for guiding the Management team to enhanced organizational performance.**

**TABLE 2****FINANCIAL HIGHLIGHTS**

IN RS. CRORE FOR THE YEAR ENDED 31 MARCH 2015 AND 31 MARCH 2014

PARTICULARS	CG STAND-ALONE		CGI BV CONSOLIDATED* <sup>@</sup>		CG CONSOLIDATED**	
	2015	2014	2015	2014	2015	2014
A Gross Sales	8216	7994	6254	6213	14393	14058
B Less: Excise Duty	379	423	-	-	380	426
C Net Sales	7837	7571	6254	6213	14013	13632
D Less: Operating Expenses	7184	6954	6292	6215	13371	13020
E Operating Profit	653	617	(38)	(2)	642	612
F Add: Dividend and Other Income	105	70	53	83	128	149
G Profit before Interest, Depreciation, Amortisation, Exchange Gain/ (Loss), Exceptional items, Prior Period Items and Taxes	758	687	15	81	770	761
H Less: Finance costs (net)	(24)	(22)	122	115	105	97
I Profit before Depreciation, Amortisation, Exchange Gain/(Loss), Exceptional items, Prior Period Items and Taxes	782	709	(107)	(34)	665	664
J Less: Depreciation and Amortisation	96	89	159	166	262	262
K Profit before exchange gain / (loss), exceptional items, prior period items and taxes	686	620	(266)	(200)	403	402
L Exchange gain / (loss)	(47)	93	-	-	(47)	93
M Exceptional Items	260	-	(170)	-	90	-
N Profit before prior period items and tax	899	713	(436)	(200)	446	495
O Prior period items	-	-	(18)	-	(18)	-
P Profit before tax	899	713	(454)	(200)	428	495
Q Less: Provision for Current Year Tax	173	168	27	25	201	194
R Less: Provision for Deferred Tax	(5)	24	28	19	21	43
S Profit After Tax	731	521	(509)	(244)	206	258
T Minority Interest	-	-	2	1	1	1
U Share of Profit/(loss) of Associate Companies (net)	-	-	(3)	(18)	2	(15)
V Profit available for distribution	731	521	(510)	(261)	209	244

\* Consolidated Accounts of CG International BV (CGIBV), the holding company for CG's international operations. \*\* Includes results of CG Stand-alone and Indian subsidiaries, Crompton Greaves Holdings Mauritius Limited, CG International Holdings Singapore PTE Ltd, and Crompton Greaves Sales Network Malaysia SDN. BHD. PT Crompton Prima Switchgear Indonesia and CGIBV Consolidated @ Figures have been regrouped for the purpose of consolidation.

practice and as per the requirements of the Companies Act, 2013. The Committees are Risk and Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee. The composition, terms of reference, number of meetings held and business transacted by the Committees is given in the Corporate Governance Report.

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including

Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors. The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as adequacy of the composition and role of the Board, Board meeting and reporting process, effectiveness of strategies, risk management systems, external relationships, ethics and governance framework. Committee performance was evaluated on the basis of its composition, effectiveness in carrying out its

mandate, relevance of its recommendations and allocation of adequate time to fulfill its mandate.

Individual and peer assessment of Directors based on parameters such as knowledge, contribution, level of engagement, communication/relationship with Board and Senior Management were received by the Chairman for individual feedback. The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Chairman was carried out by the Independent Directors.

**TABLE 3****FINANCIAL HIGHLIGHTS**

IN EURO MILLION FOR THE YEAR ENDED 31 MARCH 2015 AND 31 MARCH 2014

PARTICULARS	CG STAND-ALONE		CGI BV CONSOLIDATED* <sup>@</sup>		CG CONSOLIDATED**	
	2015	2014	2015	2014	2015	2014
A Gross Sales	1060	988	807	768	1858	1737
B Less: Excise Duty	49	52	-	-	49	53
C Net Sales	1011	936	807	768	1809	1684
D Less: Operating Expenses	928	860	812	768	1726	1608
E Operating Profit	83	76	(5)	(0)	83	76
F Add: Dividend and Other Income	14	9	7	10	16	18
G Profit before Interest, Depreciation, Amortisation, Exchange Gain/(Loss), Exceptional items, Prior Period Items and Taxes	97	85	2	10	99	94
H Less: Finance costs (net)	(3)	(3)	16	14	13	12
I Profit before Depreciation, Amortisation, Exchange Gain/(Loss), Prior Period Interest, Exceptional items and Taxes	100	88	(14)	(4)	86	82
J Less: Depreciation and Amortisation	12	11	20	21	34	32
K Profit before exchange gain / (loss), exceptional items , prior period items and taxes	88	77	(34)	(25)	52	50
L Exchange gain / (Loss)	(6)	11	-	-	(6)	11
M Exceptional item	33	-	(22)	-	12	-
N Profit Before prior period items and Tax	115	88	(56)	(25)	58	61
O Prior period items	-	-	(2)	-	(2)	-
P Profit before tax	115	88	(58)	(25)	56	-
Q Less: Provision for Current Year Tax	22	21	3	3	26	24
R Less: Provision for Deferred Tax	(1)	3	4	2	3	5
S Profit After Tax	94	64	(65)	(30)	27	32
T Minority Interest	-	-	0	0	0	0
U Share of Profit/(loss) of Associate Companies (net)	-	-	(0)	(2)	0	(2)
V Profit available for distribution	94	64	(65)	(32)	27	30

\* Consolidated Accounts of CG International BV (CGIBV), the holding company for CG's international operations. \*\* Includes results of CG Stand-alone and Indian subsidiaries, Crompton Greaves Holdings Mauritius Limited, CG International Holdings Singapore PTE Ltd, and Crompton Greaves Sales Network Malaysia SDN. BHD. PT Crompton Prima Switchgear Indonesia and CGIBV Consolidated @ Figures have been regrouped for the purpose of consolidation. Note: Average exchange rate considered for 1 Euro in 2014-2015 is Rs 77.4865 and in 2013-14 is Rs.80.9367

The Directors expressed their satisfaction with the evaluation process and its result.

**PROMOTER GROUP**

The Company is a part of the Avantha Group, one of India's leading diversified conglomerates. Led by Chairman Mr Gautam Thapar, the Avantha Group has a global footprint and operates in 90 countries with more than 25,000 employees worldwide. As required by the Listing Agreement with Stock Exchanges, CG periodically discloses its promoter group and persons acting in

concert in the shareholding pattern and other filings with the Stock Exchanges.

**SUBSIDIARY COMPANIES**

The Company has four Indian subsidiaries as on 31 March 2015. Additionally, the Company has 32 foreign subsidiaries as on 31 March 2015. The particulars are mentioned in Annexure 6 to this Report in Form No. MGT 9 (Extract of Annual Return). Pursuant to section 136 of the Companies Act, 2013, the audited accounts of each of the Company's subsidiaries are placed on the

website of the Company and not enclosed in the Annual Report. If any Member of the Company so desires, the Company will be happy to make available the Annual Accounts of the subsidiaries to him/her, on request. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays.

**BRANCH OFFICE IN POLAND**

The Company has a branch office in Poland. The stand-alone financial

**TABLE 4****FINANCIAL HIGHLIGHTS**

IN USD. MILLION FOR THE YEAR ENDED 31 MARCH 2015 AND 31 MARCH 2014

PARTICULARS	CG STAND-ALONE		CGI BV CONSOLIDATED* <sup>@</sup>		CG CONSOLIDATED**	
	2015	2014	2015	2014	2015	2014
A Gross Sales	1344	1324	1023	1029	2355	2329
B Less: Excise Duty	62	70	-	-	62	71
C Net Sales	1282	1254	1023	1029	2293	2258
D Less: Operating Expenses	1175	1152	1029	1029	2188	2156
E Operating Profit	107	102	(6)	(0)	105	102
F Add: Dividend and Other Income	17	12	9	13	21	24
G Profit before Interest, Depreciation, Amortisation, Exchange Gain/ (Loss), Exceptional items, Prior Period Items and Taxes	124	114	3	13	126	126
H Less: Finance costs	(4)	(4)	20	19	17	16
I Profit before Depreciation, Amortisation, Exchange Gain/(Loss), Exceptional items, Prior Period Items and Taxes	128	118	(17)	(6)	109	110
J Less: Depreciation and Amortisation	16	15	26	27	43	43
K Profit before exchange gain / (loss), exceptional items, prior period items and taxes	112	103	(43)	(33)	66	67
L Exchange gain / (loss)	(8)	15	-	-	(8)	15
M Exceptional Items	43	-	(28)	-	15	-
N Profit before prior period items and Tax	147	118	(71)	(33)	73	82
O Prior period items	-	-	(3)	-	(3)	-
P Profit before tax	147	118	(74)	(33)	70	-
Q Less: Provision for Current Year Tax	28	28	4	4	33	32
R Less: Provision for Deferred Tax	(1)	4	5	3	3	7
S Profit After Tax	120	86	(83)	(40)	34	43
T Minority Interest	-	-	0	0	0	0
U Share of Profit/(Loss) of Associate Companies (net)	-	-	(1)	(3)	0	(2)
V Profit available for distribution	120	86	(84)	(43)	34	41

\* Consolidated Accounts of CG International BV (CGIBV), the holding company for CG's international operations. \*\* Includes results of CG Stand-alone and Indian subsidiaries, Crompton Greaves Holdings Mauritius Limited, CG International Holdings Singapore PTE Ltd, and Crompton Greaves Sales Network Malaysia SDN. BHD. PT Crompton Prima Switchgear Indonesia and CGIBV Consolidated @ Figures have been regrouped for the purpose of consolidation. Note: Average exchange rate considered for 1 USD in 2014-2015 is Rs. 61.1097 and in 2013-14 is Rs.60.3575

statements of the Company includes the financial statements of its Poland branch i.e., Crompton Greaves Ltd SA.

**CONSOLIDATION OF ACCOUNTS**

As required by Accounting Standards AS-21 and AS-23 of the Institute of Chartered Accountants of India, the financial statements of the Company reflect the consolidation of the Accounts of the Company, its 36 subsidiaries, and 4 Associate Companies. The Associate Companies are CG Lucy Switchgear Limited, Pauwels Middle East Trading & Contracting Pvt Co. LLC, K.K. El Fi Co Ltd, Japan and Saudi Power Transformers Company Ltd.

The performance and financial position of each of the subsidiaries, associates and joint venture companies are detailed in 'Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures' in form AOC I pursuant to section 129 of the Companies Act, 2013.

**RELATED PARTY TRANSACTIONS**

The Company's Related Party Policy governs the norms for inter-company transaction pricing between the Company and its subsidiaries. Since the Company has a network of wholly-owned subsidiaries, manufacturing, as well as, engaged in sales of various products comprising the

different businesses of CG, a substantial quantum of related party transactions comprise transactions with subsidiaries for purchase and sale of goods and services, in the ordinary course of business.

An omnibus approval has been granted by the Risk and Audit Committee of the Board for transactions which are of a foreseen and repetitive nature with other related parties. Such omnibus approvals are subjected to review by the Risk and Audit Committee every year and are monitored by the Risk and Audit Committee on a quarterly basis. All Related Party Transactions are presented to the Risk and Audit Committee every quarter.





CG's Automation solutions are running successfully in Brazil, USA, Spain, France and India

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no material related party contracts, arrangements or transactions undertaken by the Company during the year in terms of its India Related Party Transaction Policy of the Company and hence the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1)

of section 188 of the Companies Act, 2013, in form AOC 2 (Annexure 1 to the Report) is NIL. The Company's India Related Party Transactions Policy is uploaded on the website of the Company and the weblink is as follows: <http://www.cgglobal.com/pdfs/policies/India%20Related%20Party%20Transactions%20Policy.pdf>

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements.

#### **BUSINESS RISK MANAGEMENT**

A risk management policy has been developed and implemented by the Company for identification of elements of risk, if any, which

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**The Linky project is one of the largest planned AMI roll outs, based on PLC technology, in the world.**

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in the opinion of the Board may threaten the existence of the company. The key elements of the company's risk management framework have been captured in the risk management policy which details the process for identifying, escalating, prioritizing, mitigating and monitoring key risk events and action plans. The assessment of the risks covers Strategy, Technology, Financial, Operations & Systems, Legal & Regulatory and Human Resources Risks. There are appropriate assurance and monitoring mechanisms in place to monitor the effectiveness of the risk management framework including the mitigation plans identified by the Management for key risks identified through the risk management exercise. The effectiveness of the risk management framework and systems is also periodically evaluated by the Risk and Audit Committee.

#### **INTERNAL FINANCIAL CONTROLS**

CG has in place, adequate systems and procedures for implementation of internal financial control across the organization which enables the Company to ensure that these controls are operating effectively.

#### **RESEARCH AND DEVELOPMENT**

During the year, the R&D activities continued to focus on developing intelligent, eco-friendly and energy efficient products, as well as, extending the range of existing products.

Power transformers targeted eco-friendly products with focus on the efficiency (low loss transformers), low noise, low size and improvement of the thermal performances of transformers. The performance evaluations of Instrument Transformers (CT & CVT) at extremely cold climatic conditions (-55 deg C), is a significant achievement.

In the Automation segment, smart grid solutions developed by the Company under ZIV brand received significant recognition when CG was awarded a contract by eRDF, France, as one of the six suppliers to the Linky project. The Linky project is one of the largest planned AMI roll outs, based on PLC technology, in the world. The award is a demonstration of CG's ability to deliver robust and scalable smart meters to meet with stringent international security and reliability norms.

In the Motors segment, research was carried out to comply with IE3 / IE4 efficiency level & NEMA standards for various ranges of motors, through improvements in winding

design & process, copper die-cast Induction Machine technology, etc. CG developed motors operating on dual voltage frequencies & power electronics equipment like power converters & auxiliary converters. Development of hybrid drives was undertaken with technology partners.

The Company's low tension or low voltage rotating machine division recently received IECEx and ATEX approvals from the International Electro-technical Commission (IEC) System, BASEEFA-UK, for certification of standards relating to equipment used in an explosive environment. The approvals entitle CG to enter the global flameproof motors' market without any additional country-wise technical re-certifications.

Consumer Products focused on improving reliability and durability of its products through technologies such as permanent magnet technology, Maximum Power Point Tracking (MPPT) and Cutter Technology. Special focus was given on thermal insulation improvement using Nano fillers to achieve compliance with 5-star energy efficiency norms without increasing significant cost. New variants of ceiling fans, table fans & wall mounted fans were also introduced during the year.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required by the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the prescribed format as Annexure 2 to this Report.

#### **ENVIRONMENT, HEALTH & SAFETY (EHS)**

CG has articulated its Corporate EHS Policy to confirm its commitment to the health and safety of all employees and stakeholders across all CG factories and minimize adverse environmental impact from its activities. The Policy is updated at regular intervals. During the year, the Company has released EHS Guidelines which aim to go beyond meeting legal requirement for ensuring safety of its workforce and protection of the environment. The Guidelines elaborate the cardinal principles of safety at CG, norms for accident reporting and investigation, emergency preparedness, training, audits and key assessment indicators for monitoring and measurement.

EHS Audit is conducted twice a year to identify the areas of improvements in EHS protection activities. EHS targets assigned to each division to reduce consumption of power, paper and water are regularly monitored through an EHS scorecard which is reviewed at monthly business review meetings. The existing EHS activities are further enhanced and strengthened through delivering training programs.

During the year, the existing online accident/incident reporting portal was extended to form a single window EHS information data portal with corrective action tracking mechanism. Each plant location has identified projects and budgeted expenses for EHS improvement activities.

All Indian manufacturing units are certified for ISO14001 and OSHAS18001 standards. Regular audits are being conducted by the certifying agencies to confirm adherence to procedures prescribed in the standards.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company's undeterred commitment towards CSR initiatives endeavor to embrace responsibility for its corporate actions and achieve fruitful impact of its business actions not only on its stakeholders, but also the society at large. As part of its CSR initiatives, CG has undertaken projects in the areas of education, employability and health. CG supports Avantha Foundation on programs such as reduction of Malnutrition and Hunger and building capacities of stakeholders in small towns to ensure better delivery of services to citizens. The Annual Report on CSR activities of CG for FY 2014-15 is stated at Annexure 3 to the Report.

#### **GREEN INITIATIVES**

Electronic copies of the Annual Report and Notice of the 78<sup>th</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email addresses, physical copies of the Notice and Annual Report are sent in the permitted mode. Members requiring physical copies can send a request to the Company. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays.

#### **MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e., 31 March 2015, and the date of the Directors' report i.e., 28 May 2015.

#### **MATERIAL ORDERS OF REGULATORS/ COURTS/TRIBUNALS**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013. The Directors confirm that :

- the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for the financial year;
- sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis;
- the internal financial controls laid down in the Company were adequate and operating effectively;
- the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

#### **SHARE REGISTRAR & TRANSFER AGENT**

The Company's Registrar & Transfer Agents for shares is Datamatics Financial Services Ltd (DFSL). DFSL is a SEBI-registered Registrar & Transfer Agent. The contact details of DFSL are mentioned in the Report on Corporate Governance. Investors are requested to address their queries, if any to DFSL; however, in case of difficulties, as always, they are welcome to contact the Company's

**IECEX and ATEX approvals from the International Electro-technical Commission (IEC) System. BASEEFA-UK, entitled CG to enter the global flameproof motors' market without any additional country-wise technical certifications.**

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**During the year, the Company has released EHS Guidelines which aim to go beyond meeting legal requirement for ensuring safety of its workforce and protection of the environment.**

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Investor Services Department, the contact particulars of which are contained in the Report on Corporate Governance.

#### **FIXED DEPOSITS**

The Company has discontinued acceptance of fresh deposits and also renewal of existing deposits.

#### **PARTICULARS OF EMPLOYEES**

The statement of particulars required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(1) and (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms a part of this Report and is given at Annexure 4.

#### **COMPLAINTS RELATING TO SEXUAL HARASSMENT**

In terms of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013, it is mandatory to review status of sexual harassment related complaints in the Annual Report. There were no incidents of sexual harassment reported in the Company. For protection against sexual harassment, CG has formed an internal complaints committee to which employees can write in their complaints. The Company has a Prevention of Sexual Harassment Policy which has formalised a free and fair enquiry process for dealing with such issues, with clear timelines.

#### **VIGIL MECHANISM**

The Company has formulated CG Whistle Blower Policy with a view to providing a mechanism for CG employees to report violations and assure them of the process that will be followed to address the reported violation. The Policy also lays down the procedures to be followed by Senior

Management for tracking of complaints, giving feedback, conducting investigations and taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants.

A Management Committee as nominated by CEO and Managing Director is formed upon completion of the investigation and requiring action by the Committee. Decisions taken by the Management Committee and actions taken by the Company or exoneration cases are informed by the Head of Internal Audit to the Risk and Audit Committee on a quarterly basis. Actions taken by the Management Committee are implemented subject to applicable law(s).

#### **AUDITORS**

The Company's Statutory Auditors, Sharp & Tannan, hold office up to the conclusion of the forthcoming Annual General Meeting; and, being eligible, are recommended for re-appointment on terms to be recommended by the Risk and Audit Committee to the Board of Directors. They have furnished the requisite certificate to the effect that their re-appointment, if effected, will be in accordance with Section 141(3)(g) of the Companies Act, 2013. The Notes on Financial Statements referred to in the Annual Report are self explanatory and do not call for any further comments.

The Company had appointed Ashwin Solanki & Associates, Cost Accountants, to audit the cost accounts related to the Company's products for 2013-2014. The due date for filing the above cost audit reports was 27<sup>th</sup> September 2014; the actual date of filing was 23<sup>rd</sup> September 2014.

Upon recommendation of the Risk & Audit Committee, the Board had appointed Ashwin Solanki & Associates as Cost Auditors, for

the financial year 2015-2016. At the ensuing Annual General Meeting, their appointment and remuneration is proposed to be approved and ratified by the shareholders.

The Company has appointed Dr K R Chandratre, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit for FY 2014-15 is annexed herewith as Annexure 5 to the Report.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure 6.

#### **ACKNOWLEDGEMENTS**

The Directors wish to convey their gratitude and appreciation to all of the Company's employees at all its locations worldwide for their tremendous personal efforts as well as their collective dedication and contribution to the Company's performance.

The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, government and all other business associates for their continued support extended to the Company and the Management.

On behalf of the Board of Directors

**G Thapar**  
**CHAIRMAN**  
Mumbai, 28 May 2015

# ANNEXURE TO DIRECTORS' REPORT



## ANNEXURE 1

### FORM AOC-2

(Pursuant to clause (h) of sub-section 3 of section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts)

Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arms length transactions under third proviso thereto.

## 1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

NAME(S) OF THE RELATED PARTY AND NATURE OF RELATIONSHIP	NATURE OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS	DURATION OF THE CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS	SALIENT TERMS OF THE CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS INCLUDING THE VALUE, IF ANY	JUSTIFICATION FOR ENTERING INTO SUCH CONTRACTS OR ARRANGEMENT OR TRANSACTIONS	DATE(S) OF APPROVAL BY THE BOARD	AMOUNT PAID AS ADVANCES, IF ANY:	DATE ON WHICH THE SPECIAL RESOLUTION WAS PASSED IN GENERAL MEETING AS REQUIRED UNDER FIRST PROVISO TO SECTION 188
NIL							

NIL

## 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

NAME(S) OF THE RELATED PARTY AND NATURE OF RELATIONSHIP	NATURE OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS	DURATION OF THE CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS	SALIENT TERMS OF THE CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS INCLUDING THE VALUE, IF ANY:	DATE(S) OF APPROVAL BY THE BOARD IF ANY	AMOUNT PAID AS ADVANCES, IF ANY:
NIL					

NIL

On behalf of the Board of Directors

**G Thapar**  
CHAIRMAN

Mumbai, 28 May 2015



CG has more than 800 Solar PADs and one large GSU installed in two solar farms in California

## ANNEXURE 2

Pursuant to clause (m) of sub-section 3 of section 134 of the Companies Act, 2013, and Rule 8(3) of the Companies (Accounts) Rules, 2014

### A. CONSERVATION OF ENERGY:

#### (a) ENERGY CONSERVATION MEASURES TAKEN

The accelerated momentum on energy conservation initiatives continued this year at manufacturing plants worldwide, with further efforts towards substitution of traditional sources of energy with renewable energy, measures for efficient usage of power and investment in additional equipment for saving of electricity. The illustrative measures taken towards energy conservation at Units are:

- Installation of auto switching circuits for shop lights
- Installation of Variable Frequency Drives (VFD) for energy saving in:
  - cranes
  - paint booth exhaust blowers and
  - compressors
- Replacement of mercury street lights with LED lamps
- New testing set up designed for railway converter test bench to prevent wastage of energy
- Energy saving by implementing Pole mounted & group based Street Light Automation (SLA) systems at Jalgaon location

Every unit has set targets for paper, power and water consumption per employee which is monitored on a regular basis.

#### (b) ALTERNATE SOURCES OF ENERGY

Maximum Power-point tracker (MPPT) based solar charger has been installed at two locations : Mulshi and Nashik to utilize solar power. In addition, products utilising solar power are also utilised in the LT Motors division at Ahmednagar.

#### (c) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

The following processes are under implementation for further reducing energy consumption :

- Replacement of LPG with producer gas for die casting machines for safety and energy saving
- Implementation of Load Torque Bench (Four Quadrant Operation) for drives
- Installation of motorized auto transformer testing bench
- Use of energy efficient electrical furnaces for aluminum melting and holding in die casting
- Installation of retrofitted LED lights in offices and shop floors

### B. TECHNOLOGY ABSORPTION

#### 1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

The Company's in-house Research and Development teams during the year have

continued to focus on developing products that were indigenous, intelligent and energy efficient. Continued R&D efforts of the past years put in developing Brushless DC application, had now enabled the Company to design & develop BLDC (Brushless DC) products.

#### 2. THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION

The benefits arrived from these efforts are as under :

#### New product commercialised

##### ● POWER SYSTEMS:

- 3.5 MVA & 3.8 MVA Hybrid transformers with new type of solid insulation
- 800 kV Transformer Bushing developed indigenously
- 245 kV CT & CVT (Current Transformer & Current Voltage Transformer) for -55 deg C suitability developed for niche markets
- EHV Current Transformers with superior Transient Response capabilities
- 245kV, 50 kA live tank circuit breaker with new compact housing
- 245 kV Compact gas insulated switchgear
- 36kV 25kA 2000A Single Bus GIS
- Upgraded 12kV 40kA VCB Panel
- 72.5 kV Size Optimized Instrument Transformers
- 36 kV to 170 kV Instrument Transformers with Polymeric (Composite) Insulators

- Modular Construction of STATCOM (25 kVAR) for Distribution Segment
- Teleprotection over IP (Internet Protocol) with IEC 61850 (Phase I)
- Compact meter data concentrator
- Three-phase meter for French market with G1 technology (Linky G1)
- Combined sensor with voltage sensor and PLC coupling

#### ● INDUSTRIAL SYSTEMS:

- Dual Voltage 60Hz motors for American market
- Flameproof Motor Development for vapor recovery system
- 107W 4P motor for Canadian customers
- 250W and 370W motors for commercial kitchen appliances
- EMX B15 motor drive system for rotary heat exchanger

#### ● CONSUMER PRODUCTS:

- Bus fan with 200 mm sweep – Dust & Waterproof, 20% energy saving, 20% weight reduction
- 48 Volts DC ceiling fan - 1000 fans supplied to a reputed institute as a pilot
- New variants of ceiling fans: Valencia, Newbreeze, Diamond
- Two HP Solar surface and submersible pumps with MPPT chargers
- Laminar flow coating developed and implemented in pumps
- Pressure Pump with hydro-pneumatic system
- Sewage pumps with cutter technology
- “Frosty” – compact mixer grinder - dual LED indication of power and overload trip (OLP)
- “Mango” shaped mixer grinder - dual LED indication of power and overload trip (OLP)
- “Duro” – wet grinder with efficient grinding and matte finished drum

#### New Processes Implemented/

##### Process Improved :

- Design softwares were upgraded during the year
- New infrastructure commissioned to evaluate full product performance at extreme temperatures (+100 to -60 deg C) and EHV (CT & CVT) have been evaluated and certified
- CG Quencher analysis tool developed for arcing performance prediction of SF6

## 1. EXPENDITURE ON R&D

RS.CRORE FOR THE YEAR ENDED 31 MARCH 2015

STAND-ALONE		
A	Capital	17.50
B	Revenue	59.49
C	Total (A + B)	76.99
D	<b>Total R &amp; D expenditure :</b>	
	as a percentage of net turnover	<b>0.98%</b>
	as a percentage of profit before tax after exchange gain/(loss) and exceptional items	<b>8.56%</b>

## 2. FOREIGN EXCHANGE EARNINGS AND OUTGO

RS. CRORE

TOTAL		
	Total Foreign Exchange Earned	1024.57
	Total Foreign Exchange Used	855.17

switchgear

- Productivity enhancement by reducing assembly time in newly developed 245 kV Live Tank Circuit Breaker
- Improvement of PD (Partial Discharge) process to obtain better specifications and meet the target dates
- New winding process & designs for in-house automatic winding line for motors
- Type test beds upgraded with 0.2 class instruments for IE3 motor testing, and type testing improved for Acoustic chamber on routine test lines
- PPU (Peripheral Programming Unit) developed for GTEK hybrid drive

#### Technology Competency Achieved:

- Power electronics based On Line Tap Changer (OLTC)
- Gas flow analysis for prediction of short circuit performance
- High energy spring mechanism design for UHV & MV Circuit breaker
- Protection & Control Intelligent Electronic Devices (IED) designed for primary substations with IEC 61850 process bus
- OFDM technology for Medium Voltage Power Line Communications
- New starting mechanism for motor without mechanical gear
- The calculation of Ripple current with respect to life cycle of capacitor & various parameters.
- Calculation Life cycle of IGBT with respect to various parameters

#### Intellectual Property

- During FY 2015, 3 patents have been granted. CG has additionally filed 33 patent applications during FY 2015, which are pending with the Patent Registrar.
- During FY 2015, 49 designs have been registered. CG has filed 16 design applications during FY 2015, which are pending with the Design Registrar.

#### 3. IMPORTED TECHNOLOGY

- the details of technology imported - Nil;
- the year of import - Not applicable;
- whether the technology been fully absorbed – Not applicable;
- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – not applicable.

#### 4. EXPENDITURE ON R&D

The Company's expenditure on R&D is mentioned above in **Table 1**.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used by the company is given in **Table 2**.

On behalf of the Board of Directors

**G Thapar**  
CHAIRMAN

Mumbai, 28 May 2015



## ANNEXURE 3

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FY 2014-15

#### 1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS.

##### Corporate Social Responsibility (CSR) Policy

CG is committed to its stakeholders to conduct its business in a responsible manner that creates a sustained positive impact on society. This means working with the underserved communities to improve the quality of their life and preserve the ecosystem that supports the communities and the Company. For CG, being a Socially Responsible Corporate means:

- Upholding and promoting the principles of inclusive growth, diversity and equitable development in society
- Collaborating with local government agencies and like minded corporates, voluntary and academic organisations in pursuit of our goals
- Building active and long term partnerships with the surrounding communities to significantly improve the condition of the most underserved amongst them
- Making a sustained effort in preserving the environment
- Using environment friendly, energy efficient and safe processes
- Promoting transparency in disclosure and reporting procedures
- Getting our employees involved and sensitized within our communities, so they develop as better leaders

In order to accomplish the above, we are building an increased commitment at all levels in the organisation to operate our business in an economically, socially & environmentally sustainable manner, while recognising the interests of all stakeholders.

##### Weblink to the CSR Policy

<http://www.cgglobal.com/frontend/Crompton.aspx?cnl2=Hzypw8VdQN4=>

#### 2. THE COMPOSITION OF THE CSR COMMITTEE

The Committee comprises of the following Directors:

- Ms. Meher Pudumjee (Chairperson, Independent Director)
- Mr. Shirish Apte (Independent Director)
- Mr. Gautam Thapar (Non-Executive Director)
- Dr. Valentin von Massow (Independent Director)

#### 3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

Rs 677.16 Cr.

#### 4. PRESCRIBED CSR EXPENDITURE (TWO PER CENT. OF THE AMOUNT AS IN ITEM 3 ABOVE)

Rs. 13.54 Cr.

#### 5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

a. Total amount to be spent for the financial year: **Rs. 13.54 Cr.**

b. Amount unspent, if any: **Rs. 6.95 Cr.**

c. Manner in which the amount spent during the financial year is detailed in the table on the next page.

At the outset, CG has decided to develop focused intervention on social issues in order to bring sustainability and measurable output. Therefore at this nascent stage, limited projects were identified and implemented at a lower scale. Setting up a team within CG, identifying credible, relevant and appropriate NGOs and establishing baseline studies has taken time. In order to develop appropriate strategies and projects, CG has spent on administration cost 9% of total CSR expenditure, which includes the appointment of a professional team to execute CSR projects, travel expenses for identification of NGOs partners at locations and so on.

#### OVERVIEW OF THE PROGRAMS AND PROJECTS UNDERTAKEN

CG believes in the philosophy of giving back to society. CSR activities of CG aim to create meaningful and sustainable value for the community in and around

its operation and also advocate social concerns of national importance. Putting its intent into practice CG has articulated a CSR Policy that serves as a guideline for the implementation of CSR. Its programs are identified based on the needs of the communities as well as the interest of the staff within CG, and implemented predominantly by NGOs. CG supports Avantha Foundation on programs such as reduction of Malnutrition and Hunger and building capacities of stakeholders in small towns to ensure better delivery of services to citizens. CSR at CG encompasses several thematic areas that are in keeping with the critical needs of the communities and also addresses some of the pressing issues before the country today. While the focus of activities around the CG manufacturing sites is on building skills of youth and women and empowering them to take charge of their own lives, the focus of the activities of Avantha Foundation is on reducing Malnutrition among children below five years of age. Some key highlights of the activities in the year 2014-15 are given below:

##### COMMUNITY DEVELOPMENT:

With the aim of improving the lives of communities around its manufacturing locations by responding to their livelihood and basic healthcare needs, CG achieved the following:

- Around 500 women were mobilised through Self Help Groups and trained in various entrepreneurial skills such as catering, candle making, bakery products, spices preparation and packaging. Some of the women from these groups have started supplying Mid-Day meals to aanganwadis (pre primary education under Integrated Child Development Service project) while some of them have started their own food businesses.

- Health camps were organised in collaboration with NGOs and hospitals for the treatment of various ailments such as eye check-up, dental and general health check up.

- A comprehensive community health project has been initiated with four villages in Baddi area of Himachal Pradesh. The focus of the project is to leverage existing government health facilities and fill the gaps so as to ensure that the communities get adequate health services. Groups were formed with adolescent girls and mothers, in order to educate them about critical health issues.

## CSR SPENT DURING THE FINANCIAL YEAR

S. NO	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS. 1. LOCAL AREA OR OTHER 2. SPECIFY THE STATE AND DISTRICT WHERE PROJECTS AND PROGRAMS WERE UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAM-WISE	AMOUNT SPENT ON THE PROJECT OR PROGRAMS. 1. DIRECT EXPENDITURE ON PROJECTS AND PROGRAMS 2.OVERHEADS	CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY
1	Education & Skill Development for youth	Education & employable skill enhancement	Pan India	Rs. 4.60 Cr.	Rs.0.78 Cr.	Rs.0.78 Cr.	Direct & Agastya Foundation
2	Community Outreach	Health, Women Empowerment	Himachal Pradesh- Baddi Maharashtra - Mumbai	Rs. 1.80 Cr.	Rs.0.36 Cr.	Rs.0.36 Cr.	Direct & Society for All Round Development (SARD) organization
3	Other Community Based Program/ Events	Community Events, Environment day events, Environment awareness	Maharashtra- Nashik and Mumbai	Rs. 0.80 Cr.	Rs. 0.05 Cr.	Rs. 0.05 Cr.	Direct
4	Donation towards Avantha Foundation	Reduction of Malnutrition amongst children Improving Urban Service Delivery through Community mobilization and capacity building Promoting scientific Solid Waste Management in small towns	Pan India	Rs. 5.67 Cr.	Rs. 4.78 Cr.	Rs.4.78 Cr.	Avantha Foundation
5	Administrative Expenses			Rs. 0.67 Cr.	Rs. 0.62 Cr.	Rs. 0.62 Cr.	
	<b>Total</b>			<b>Rs 13.54 Cr.</b>	<b>Rs.6.59 Cr.</b>	<b>Rs. 6.59 Cr.</b>	

### SKILL DEVELOPMENT & EDUCATION:

Being an industrial Company, CG leverages its strengths and technical knowledge to create programs that offer sustainable employment opportunities to youth through technical education.

- More than 400 youth were trained on courses such on multimedia, beauty treatment, fashion designing, basic computer operations, nursing etc around the various factory locations. Around 60 % students have got jobs.
- More than 600 students of ICICI Foundation's skill academy were tutored by expert employees (master trainers) of CG, of which 90% secured jobs. The Company also supported the ICICI Foundation in setting up a laboratory for a motor and pumps course at the academy.

- In order to encourage and promote the importance of Science and its application in secondary municipal schools, the Company has supported mobile science labs in 120 secondary schools, in Nashik, Bhopal and Gwalior district which did not have laboratory facilities.
- CG has taken an initiative to support scholastic backward students in Kanjurmarg slum community in Mumbai. Academic performance of these children was below the average level and hence "after school supplementary classes" were started for them. In the last two years it was observed that students have developed their interest in learning and also started regularly attending schools. These centres are helping the community children to develop their academic

performance level. More than 200 students benefitted through this supplementary education.

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*"I am married in a joint family and my husband works in a private firm. His monthly income is not enough to make ends meet, especially when we have so many mouths to feed. I got to know about the multimedia course being sponsored by CG at a nearby institute and decided to learn computer skills to support my husband. Very soon I enrolled into this multimedia course after paying very nominal fees. The tutors guided me well and because of the newly acquired skills,*



Community Participation :  
Mora Angina, Mora Gehna

*I secured a well paid job at the Rajeev Gandhi Hospital. Today I earn and am able to meet the daily requirements of my family and my daughter. I thank the institute and the company from the bottom of my heart. My life has become a lot easier now.” – NishaTanwar, Bhopura, Uttar Pradesh*

#### EMPLOYEE VOLUNTEERISM:

Volunteering being integral to the Company's ethos, CG encourages its employees to devote their time, effort and expertise for social causes with an objective to instill responsibility for community initiatives in them.

- In the endeavour towards supporting senior citizens, employees participated in the Mumbai Marathon to express solidarity and raise funds for senior citizens.
- In order to provide relief to Uttarakhand flood survivors, employees volunteered during the flood relief operations.
- Employees made visits to an old age home to spend time with residents.

#### CSR INITIATIVES THROUGH AVANTHA FOUNDATION

##### REDUCTION OF HUNGER AND MALNUTRITION IN CHILDREN

In its endeavour to contribute towards the Millennium Development Goals laid down by the United Nations, CG has supported Avantha Foundation in its pioneering HUNGaMA (HUNGER and Malnutrition) Next

programme - a three year pilot project which is being implemented in three districts – one each in Madhya Pradesh, Rajasthan, and Odisha. The objective is to create evidence based models to demonstrate significant reduction in child malnutrition during the first 1000 days of a child's life.

#### Achievements:

- Ongoing work with 770 Aanganwadis
- Coverage of about 10000 children & their families
- 3000 gram panchayat members and citizens participation in community monitoring
- 1500 frontline workers trained on understanding malnutrition and its prevention. All of them are now actively using this knowledge to monitor children in their Aanganwadi
- Mothers' committees formed in each village to increase the knowledge of the mother regarding their child's health. About 2000 members of mothers committees were trained
- More than 15000 children are tracked through an online tool for better monitoring
- Approval letters from all three states to incorporate HUNGaMA activities in Integrated Child Development Services have been received

#### AVANTHA NUTRITION FELLOWSHIP:

To further its advocacy efforts, the Foundation has also launched a two-year Nutrition Fellowship programme for young

professionals, to promote research in the area of hunger and malnutrition. Seventeen Avantha Nutrition Fellows (ANF) have been placed in three states with 13 NGOs.

#### IMPROVING URBAN SERVICE DELIVERY THROUGH COMMUNITY MOBILIZATION AND CAPACITY BUILDING

The Urban programme supports innovation, research and advocacy on strengthening the participation of stakeholders in improving governance and service delivery at the local level in small towns. The program is on-going in four states across India several citizenship dialogues and sessions of governance have also been organised with youth and civil society members.

#### AVANTHA GOVERNANCE FELLOWSHIPS

This programme proposes to achieve the objective of creating competencies in urban governance among young and aspiring development professionals. A total of Nine Fellows have been placed in locations where Avantha Urban Innovation Project is functional in partnership with the respective implementation agencies.

*“Mora angina; Mora gehna( My neighbourhood, My ornament ): To address the haphazard dumping of solid waste & ineffective & inefficient collection system, the residents of Kumhari (Durg,*

*Chhattisgarh), led by the President of the elected local Council, decided to take up the project of Solid Waste Management (SWM) in their town. Avantha Foundation provided technical support to this initiative under its Avantha Urban Innovation Project (AUIP). The key implementing agency is Kumhari Nagar Palika-Parishad. This SWM pilot was started in 5 wards in January 2014. The service offered in the pilot wards was daily sweeping of the streets, cleaning of drains & door-to-door collection. For any multi-stakeholder engagement to become a successful model, the effort largely hinges on active community participation. The focus was therefore on bringing about a behavioural change and capacity building of all the stakeholders. The idea is to create a sustainable working model which can be replicated in other areas too. After an extensive mass awareness campaign, all the stakeholders together initiated an exercise of SWM-specific ward planning. Avantha Foundation provided for the capacity enablement inputs of all the stakeholders involved. Further efforts are now underway by the Municipality to get a plot of land sanctioned for setting up a garbage treatment facility and the newly elected council has expressed interest in scaling it to the entire town. Levy of user charges for ensuring financial sustainability is under active consideration of the municipality.*

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#### **WAY AHEAD**

In the year 2014-15, CG developed need based CSR projects on the issue of unemployment, education, preventive health and malnourishment. CG has decided to implement projects in partnership with NGOs and endeavour to engage concerned stakeholders such as the neighbouring community, representatives of local self government, service providers from government health and education institutes and employees from CG units. In order to have a more meaningful impact, CG will be focusing on a few projects. Since there is a requirement for skilled people in industry, CG will endeavour to give industrial exposure and advance training to ITI students and also short term skills training course for community youth. While working on education, CG will work with government schools and community groups to increase quality education at the school level. CG will

continue its effort in reducing malnourishment in rural areas through the Avantha Foundation. Avantha Foundation will work with the government health care system to bridge the gap between communities and health systems. FY 2015-16 will primarily be a year of firming up specific CSR Projects to create a larger socio-economic impact in society.

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

**L Demortier**

**CEO & MANAGING DIRECTOR**

**M Pudumjee**

**CHAIRPERSON - CSR COMMITTEE**

## ANNEXURE 4

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Note: The information provided below is on standalone basis for Indian Listed entity.

1. For the aforesaid purposes, median remuneration has been computed by ascertaining the annualised median salary for all employees of the Company, employed at any time during the financial year 2014 – 2015, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year.

2. Non-Executive Directors' commission is capped at 1% of the net profits, as permitted by the Companies Act and approved by the shareholders at the Annual General Meeting held on 19 July 2010. Apportionment of commission amongst the Non-Executive Directors is done based on the Guidelines approved by the Board which, in addition to a fixed fee for participation at board meetings as a director, also recognises additional positions as committee members, chairman, nominee to subsidiaries/associates/joint-ventures and greater involvement in company's initiatives and strategic directions. The increase/decrease in commission payment compared to previous financial year is in line with these Guidelines for apportionment of the Commission and due to foreign exchange rate fluctuations in some cases.

3. The percentage increase in the median remuneration of employees in the financial year: 29.02%

4. The number of permanent employees on the rolls of company as on 31 March, 2015 : 5618

5. Relationship between average increase in remuneration and company performance : The average increase in remuneration during FY 2015 was 10.29% as compared with previous financial year. Net revenues of the Company during the financial year grew from Rs 7,571 crore to Rs 7,837 crore (an increase of 3.5%).

### 1. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR

SR NO	NAME OF DIRECTOR	REMUNERATION (RS) (INCLUDING SITTING FEES)	RATIO OF REMUNERATION TO MEDIAN REMUNERATION OF ALL EMPLOYEES
1	Mr Gautam Thapar	3,98,38,000	92.04
2	Mr Laurent Demortier	6,56,33,133	151.64
3	Mr Shirish Apte	67,90,000	15.69
4	Dr Omkar Goswami #	3,20,000	0.74
5	Mr B Hariharan	22,70,000	5.24
6	Mr Sanjay Labroo	18,65,000	4.31
7	Dr (Mrs) Colette Lewiner	36,35,000	8.40
8	Mr Suresh Prabhu*	10,78,000	2.49
9	Ms Meher Pudumjee	10,73,000	2.48
10	Dr Valentin von Massow	49,64,000	11.47

\* Resigned on 7 November 2014

# Relinquished commission payable to him for FY 2014-15

### 2. THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY OR MANAGER, IF ANY, IN THE FINANCIAL YEAR

#### A) NON EXECUTIVE DIRECTORS

SR NO	NAME OF DIRECTOR	2013-2014 REMUNERATION (INCLUDING SITTING FEE ) (RS.)	2014-2015 REMUNERATION (INCLUDING SITTING FEES) (RS)	% INCREASE/ (DECREASE)
1	Mr Gautam Thapar	5,23,96,000	3,98,38,000	(23.97)
2	Mr Shirish Apte	31,14,000	67,90,000	118.05
3	Dr Omkar Goswami #	38,33,000	3,20,000	(91.65)
4	Mr B Hariharan	21,33,000	22,70,000	6.42
5	Mr Sanjay Labroo	15,60,000	18,65,000	19.55
6	Dr (Mrs) Colette Lewiner	42,55,000	36,35,000	(14.57)
7	Mr Suresh Prabhu*	10,05,000	10,78,000	7.26
8	Ms Meher Pudumjee	9,78,000	10,73,000	9.71
9	Dr Valentin von Massow	54,55,000	49,64,000	(9.00)

\* Resigned on 7 November 2014

# Relinquished commission payable to him for FY 2014-15

#### B) KEY MANAGERIAL PERSONNEL

SR NO	NAME	2013-2014 REMUNERATION (RS)	2014-2015 REMUNERATION (RS)	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR
1	Mr Madhav Acharya (CFO)	2,73,54,008	3,09,01,236	12.97
2	Ms Minal Bhosale (CS)	50,10,986	56,31,752	12.39
3	Mr Laurent Demortier (CEO and MD)	8,78,74,747	6,56,33,133	(25.31)

Average increase in remuneration is guided by factors like economic growth, inflation, mandatory increases, external competitiveness and the need for talent retention. Whilst at the Senior Management level, compensation comprises of a higher component of variable pay, at the lower levels, remuneration is predominantly fixed in nature and hence a perfect correlation with company performance cannot be achieved.

Whilst the Company has a strong cost focus, employee cost being one of the key areas for cost monitoring and control, the total employee cost as a percentage of net revenues was only 6.69 % (last year 6.29 %). Besides employee costs, there are other significant internal and external factors impacting performance of the Company, which are explained in detail in the Management Discussion & Analysis Report.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company; Refer point 9.

7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed Companies, and in case of unlisted Companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.

The closing market price of the shares of the Company as at 31st March, 2015 was Rs 166 (BSE and NSE). The Company came out with an Initial Public Offer in 1967 at an issue price of Rs 180 per share. However, these prices are strictly not comparable since there have been bonus issues, change of face value of shares, acquisitions and disposals since the Company's Initial Public Offer of shares in 1967.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in salary of Company's employees was 10.29%. On the other hand, overall managerial remuneration decreased by 22% compared to previous financial year. Total managerial remuneration comprises of remuneration of the CEO and Managing Director and commission paid to Non-Executive Directors. CEO and Managing Director's remuneration is capped at 5% of the Company's net profits as permitted by the Companies Act and approved by the shareholders at the Annual General Meeting held on 19th July, 2011. Non-Executive Directors' commission is capped at 1% of the net profits, as permitted by the Companies Act and approved by the shareholders at the Annual General Meeting held on 19 July 2010. Commission to Non-Executive Directors and CEO and Managing Director's remuneration paid during the year is within the above limits.

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company :  
Remuneration of all Key Managerial Personnel of the Company is indicated at point (2) overleaf. Remuneration to Key Managerial Personnel comprises of fixed and variable components. In addition to individual performance and leadership assessment, the key drivers to determine variable pay are business and Company's performance measured in terms of KPIs such as order intake, sales, free cash flow and operational EBITDA. Hence, Company's performance has a significant impact on the variable remuneration to Key Managerial Personnel. However, fixed component of the remuneration is attributable to employee skills and

experience and hence there is no direct correlation with the performance of the Company.

10. The key parameters for any variable component of remuneration availed by the Directors:

The variable pay of the CEO and Managing Director is determined based on the parameters indicated at point 9.

11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year : Not applicable since no employee of the Company receives remuneration in excess of the highest paid Director, i.e. the CEO and Managing Director.

12. Remuneration is as per the remuneration policy of the company.

On the behalf of the Board of Directors

**G Thapar**  
**CHAIRMAN**

Mumbai, 28 May 2015

	AS AT 31 MARCH, 2014	AS AT 31 MARCH, 2015	PERCENTAGE INCREASE / (DECREASE)
Market capitalisation	Rs 10009.14 cr	Rs 10403.99 cr	3.94
Price earnings ratio	19.40	14.22	(27)

**PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5(2) OF THE COMPANIES ( APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

NAME	AGE	QUALIFICATIONS	DESIGNATION	DATE OF JOINING	TOTAL EXP	GROSS SALARY (IN LACS)	LAST EMPLOYMENT & LAST POSTION HELD	NO OF YEARS
Mr. Laurent Dominique Demortier	53	BE, MBA	Managing Director	2-Jun-11	25	656.33	Alstom / MD	11
Mr. Madhav Acharya	48	BCom, ICWA, C.A.	Executive Vice President, CFO and CIO	1-Oct-08	26	309.01	BILT (For Sabah Forest Ind, Malaysia) / Chief Financial Officer	8
Mr. Ashwani Gupta	57	Master of Science, MBA	Exec. Vice President & President Consumer Business/Global Strategy	6-Jun-12	24	284.13	Avantha Holdings Limited / Executive Vice President & President	4
Mr. Jayantkumar Kulkarni	59	BE, ME	Executive Vice President and President of Power BU	1-Aug-80	34	216.10	-	-
Mr. Dileep Sahebrao Patil #	58	MTech	Executive VP and Chief Technology Officer (CTO)	15-Nov-80	34	176.58	-	-
Dr. Srinivas Ponnaluri	44	BE, ME, Ph.D	Vice President & Chief Technology Officer	28-Nov-13	20	116.43	TROLEX / Whole Time Director (CEO / MD)	1
Mr. Anil Kumar S. Raina	57	B Sc (Engg)	Executive Vice President & President - Industrial BU	1-Sep-77	37	155.43	-	-
Mr. Sanjay Vithalrao Jorapur #	44	BE Computer Science, PG in Personnel Management& IR from XLR 1	Executive Vice President and Global Head - Human Resources	31-May-12	21	186.12	Honeywell International (India) Pvt Ltd. / Country HR Director	3
Mr. Ravi Rajagopal #	49	BCom, FCS, LLB	Executive Vice President, Global Head - Legal, Governance and Risk	7-May-14	27	128.34	Essar Steel India Limited / General Counsel	1
Mr. Ramesh Janarathanam	57	PGDBM, BE	General Manager - Corporate IT	5-Mar-10	35	81.79	MIRC Electronics Limited / Chief Information Officer	7
Mr. Shashi Ranjan Kumar	47	Human Resource, Master of Science	General Manager - Corporate HR	21-Jul-11	24	76.30	Trent Limited / Deputy Manager	1
Mr. Sundar Ramachandran Iyer	44	BE	Gen Manager - Strategy & Business Planning, Consumer Business Unit	2-Jul-12	21	61.41	ABB Ltd / Vice President	19
Mr. Ajit Manjunath Kamath	57	BE	General Manager-Western Region	23-May-96	34	71.45	L&T, MUMBAI. / Development Manager	0
Mr. Sajal Mukherjee	56	BE	Vice President-LT Motors	27-Oct-80	34	66.42	-	-
Mr. Uday Harish Mahajani	57	BE	Vice President - Fans	23-Feb-79	36	92.20	-	-
Mr. Anindya Ajaykumar Basu	52	BE, ME	Vice President - Operations	2-Nov-07	28	88.79	EMCO Limited / Vice President	2
Mr. Jagdish Chandra Pant	58	BE, MTech	General Manager - Managerial	1-Aug-80	34	63.28	-	-
Mr. Raj Ranjan Ray	57	DBM, BE	General Manager - Technology & Design, Consumer Business Unit	16-Jul-98	35	67.40	Philips India Ltd. Mumbai / Production Manager	2
Mr. Ramesh Kumar N	52	BE	Global Sales Head - Consumer Products	7-Sep-90	30	73.81	The GEC of the India Ltd / Sales Engineer	6
Mr. Yeshwant Jaywant Rege	45	BCom, MMS, ICWA	General Manager - Strategy and Business Development	1-Jun-92	22	63.72	-	-

NAME	AGE	QUALIFICATIONS	DESIGNATION	DATE OF JOINING	TOTAL EXP	GROSS SALARY (IN LACS)	LAST EMPLOYMENT & LAST POSTION HELD	NO OF YEARS
Mr. Trilochan Sar	57	PGDBM, BCom	Financial Controller – Power Business Unit (APAC)	29-Jun-81	33	78.25	-	-
Mr. Varun Sharda	45	BCom, C.A.	General Manager- Corporate Treasury	22-Jan-02	26	76.43	Kopran Limited/ Financial Controller	4
Mr. Dinesh Kanhaiya Singh	47	BE, MM	General Manager – Mergers & Acquisitions	1-Aug-12	22	65.01	Piramal Healthcare Limited / V. P. Strategic Planning	4
Miss Arpita Sengupta	45	BA	Global Head – Corporate Communications	29-Aug-12	20	68.05	Biocon / Head Corporate Communications	9
Mr. Mukul P Srivastava	46	B Sc (Engg), MTech	Senior General Manager	4-Mar-92	23	70.05	-	-
Mr. Susheel Prasad Todi	37	BCom, C.A.	Deputy General Manager -Finance	23-Aug-04	12	64.74	UM Cables Ltd. / Sr.Executive	2
Mr. Uday Vinayak Tulapurkar	52	Master of Science, MLS, LLB	General Manager - Human Resources	24-Jun-13	28	80.48	Honeywell Technology Solutions Lab Pvt. Ltd. / Director	9
Mr. Biswaroop Ukil	57	BE	Vice President - Indian Sub-continent	1-Apr-82	35	91.08	M/S.Universal Electrics Ltd. / Graduate Engineer Trainee(GET)	2
Mr. Premanand Gopalkrishna Bhat	55	DBM, BE	General Manager - Pumps	20-Jun-91	32	64.20	Kirloskar Electric Co. Ltd. / Sr. Engineer	6
Mr. Dhruva S Chandrie #	45	BE, MBA	General Manager - Appliances	15-Sep-14	18	34.44	HomeShop 18 / COO and BH TV Business	2
Mr. Kunal Dhawan #	40	BCom, MBA	Chief Marketing Officer	19-May-14	17	53.31	Aditya Birla Retail Ltd. / Chief Mkg Officer & Business Head for Privat	2
Mr. Anil Kamra #	58	PGDBM, BE	Deputy General Manager-Regional Marketing-Transformers	11-Apr-79	35	50.51	-	-
Mr. Shirang Karandikar #	57	BE, ME	General Manager - Distribution Franchise Business	29-Sep-11	19	38.77	Kalpataru Power Transmission Ltd / Vice President	4
Mr. Vijay Prabhakar Lele #	58	DBM, BE	Global Product Line Head - LVRM	1-Aug-79	35	78.68	-	-
Mr. Satyajit Mohanty #	41	PGDIM, BA	General Manager - Human Resources, Consumer BU	15-Dec-14	17	23.44	Max Bupa Health Insurance / Director	1
Mr. Narayanan Viswanath #	58	BCom, MCom, ICWA	Vice President-Logistics	17-Nov-04	39	38.55	Blue Star Ltd / Deputy General Manager	19
Mr. Sunil Panjwani #	45	BCom, MS, MBA	Vice President & Global Head - Internal Audit	16-Feb-15	20	21.25	Sears Holding Management Corporation / Senior Director	8
Mr. Somesh Kumar Sehgal #	60	B Sc (Engg)	General Manager-Managerial	12-Apr-77	40	79.56	Trading Engineers / Sales Engineer.	1
Mr. Sanjay Rajendra Singh #	46	BA, MA, MBA	Executive Vice President and Global Head - Human Resources	21-Oct-14	18	70.26	Tata Motors / Vice President	3
Mr. Ravindra Raju Suvarna #	60	BCom, MCom, LLB, C.A., CS	General Manager- Corporate Taxation	13-Feb-80	38	55.30	Jaldhoot Shipping, Pvt.Ltd., Mumbai. / Accounts Assistant	1

1. All appointments are contractual. Other terms and conditions as per Company's rules.
2. Gross Remuneration include payments for Salary, Allowances, Incentives, Leave Travel Concession, Medical Expenses, Company's Contribution to Provident, Superannuation and Gratuity Funds and Value of non-cash perquisites as per Income-tax Rules.
3. None of the employees is related to any Director of the Company.
4. # indicates Executives employed for part of the year.

On behalf of the Board of Directors

**G Thapar**  
**CHAIRMAN**

Mumbai, 28 May 2015



# ANNEXURE 5

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR  
ENDED 31 MARCH 2015

[Pursuant to section 204(1) of the  
Companies Act, 2013, and rule 9 of the  
Companies (Appointment and Remuneration  
of Managerial Personnel) Rules, 2014]

To:  
The Members,  
Crompton Greaves Limited,  
CG House, 6th Floor,  
Dr. Annie Besant Road,  
Worli, Mumbai – 400 030

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Crompton Greaves Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not applicable to the Company during the Audit Period).**
- ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the Audit Period:

- (a) the Company has approved the alteration to Articles of Association at the 77th Annual General Meeting held on 5 August, 2014;
- (b) The Company's wholly owned subsidiaries viz. CG Energy Management Limited and CG-ZIV Power Automation Solutions Limited were amalgamated with the Company, effective from 25th March, 2015. The appointed date for the said amalgamation was 1st April, 2014.
- (c) The Company has approved increase in the limit of shareholding by registered Foreign Institutional Investors (FIIs) from 24% to 100% of paid up equity share capital of the Company through postal ballot.
- (d) The Company has commenced the process of demerger of Company's Consumer Products Business into Crompton Greaves Consumer Electricals Limited, through Scheme of Arrangement, subject to required approvals from time to time.

**Dr. K R Chandratre**

Place: Pune

FCS No: 1370

C P No: 5144

Date: 28 May 2015

## ANNEXURE 6

### FORM NO. MGT – 9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

i)	<b>CIN</b>	L99999MH1937PLC002641
ii)	<b>Registration Date</b>	28 April 1937
iii)	<b>Name of the Company</b>	Crompton Greaves Limited
iv)	<b>Category / Sub-Category of the Company</b>	Public Company limited by shares
v)	<b>Address of the Registered office and contact details</b>	6th Floor CG House, Dr A.B. Road, Worli, Mumbai 400 030 Tel No : +91 22 24237777 Fax: +91 22 2423 7733
vi)	<b>Whether listed company ( yes/no )</b>	Yes
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Datamatics Financial Services Limited Address : Plot No B-5, Part B Crosslane, MIDC Marol, Andheri (East), Mumbai 400 093. Tel: + 91 (0) 22 66712151 to 66712160 Fax:+ 91 (0) 22 6671 2230 Email: cginvestors@dfssl.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company :

SL NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TOTAL TURNOVER OF THE COMPANY
1	Power Transformers and Reactors	27102	15.79
2	Low Tension Motors	27103	10.83
3	Fans	2750	17.84

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ ASSOCIATE/ SUBSIDIARY	% OF SHARES HELD	APPLICABLE SECTION
1	Crompton Greaves Consumer Products Ltd (Incorporated as on 19.09.2014)	U31900MH2014PLC258217	Subsidiary	100	2(87)
2	Crompton Greaves Consumer Electricals Ltd (Incorporated as on 25.02.2015)	U31900MH2015PLC262254	Subsidiary	100	2(87)
3	CG-PPI Adhesive Products Ltd	U24295GA1988PLC000921	Subsidiary	81.42	2(87)
4	CG Power Solutions Ltd	U40300MH2012PLC228170	Subsidiary	100	2(87)
5	CG Lucy Switchgear Ltd	U31200MH1994PLC080208	Associate	50.00	2(6)
6	CG Automation Systems UK Ltd	Foreign Company	Subsidiary	100	2(87)
7	CG Drives & Automation Germany GmbH	Foreign Company	Subsidiary	100	2(87)
8	CG Drives & Automation Netherlands B.V.	Foreign Company	Subsidiary	100	2(87)
9	CG Drives & Automation Sweden AB	Foreign Company	Subsidiary	100	2(87)
10	CG Electric Systems Hungary Zrt	Foreign Company	Subsidiary	100	2(87)
11	CG Holdings Belgium N.V.	Foreign Company	Subsidiary	100	2(87)
12	CG Holdings Hungary Kft	Foreign Company	Subsidiary	100	2(87)
13	Crompton Greaves Holdings Mauritius Ltd	Foreign Company	Subsidiary	100	2(87)
14	CG Industrial Holdings Sweden AB	Foreign Company	Subsidiary	100	2(87)
15	CG International B.V.	Foreign Company	Subsidiary	100	2(87)
16	CG Middle East FZE	Foreign Company	Subsidiary	100	2(87)
17	CG Power County LLC	Foreign Company	Subsidiary	100	2(87)
18	CG Power Solutions UK Ltd	Foreign Company	Subsidiary	100	2(87)
19	CG Power USA Inc	Foreign Company	Subsidiary	100	2(87)
20	CG Power Systems Belgium N.V.	Foreign Company	Subsidiary	100	2(87)
21	CG Power Systems Brazil Ltda	Foreign Company	Subsidiary	100	2(87)
22	CG Power Systems Canada Inc	Foreign Company	Subsidiary	100	2(87)
23	CG Power Systems Ireland Ltd	Foreign Company	Subsidiary	100	2(87)
24	CG Sales Networks France SA	Foreign Company	Subsidiary	99.40	2(87)
25	CG Service Systems France SAS	Foreign Company	Subsidiary	100	2(87)
26	CG International Holdings Singapore Pte Ltd.	Foreign Company	Subsidiary	100	2(87)
27	Crompton Greaves Sales Network Malaysia Sdn. Bhd.	Foreign Company	Subsidiary	100	2(87)
28	Microsol Ltd	Foreign Company	Subsidiary	100	2(87)
29	PT. CG Power Systems Indonesia	Foreign Company	Subsidiary	95	2(87)
30	ZIV I+D Smart Energy Networks	Foreign Company	Subsidiary	100	2(87)
31	ZIV Aplicaciones y Tecnologia S.L.	Foreign Company	Subsidiary	100	2(87)
32	ZIV Communication S.A.	Foreign Company	Subsidiary	100	2(87)
33	ZIV Do Brasil Ltda	Foreign Company	Subsidiary	100	2(87)
34	ZIV Grid Automation S.L.	Foreign Company	Subsidiary	100	2(87)
35	ZIV Metering Solutions S.L.	Foreign Company	Subsidiary	100	2(87)
36	PT Crompton Prima Switchgear Indonesia (Incorporated on 12.05.2014)	Foreign Company	Subsidiary	51	2(87)
37	Saudi Power Transformers Company Ltd	Foreign Company	Associate	49	2(6)
38	CG Power Solutions Saudi Arabia Ltd	Foreign Company	Subsidiary	51	2(87)
39	Pauwels Middle East Trading & Contracting Pvt Co LLC	Foreign Company	Associate	49	2(6)
40	K.K. El-Fi Co. Ltd, Japan	Foreign Company	Associate	40	2(6)
41	Emotron Latin America Inc (liquidated w.e.f 14.04.2014)	Foreign Company	Subsidiary	100	2(87)
42	ZIV USA Inc (liquidated w.e.f 22.04.2014)	Foreign Company	Subsidiary	100	2(87)
43	CG Energy Management Ltd (Amalgamated with the Company w.e.f 25.03.2015)	U31100MH1996PLC100151	Subsidiary	100	2(87)
44	CG-ZIV Power Automation Solutions Ltd (Amalgamated with the Company w.e.f 25.03.2015)	U31900MH2010PLC209840	Subsidiary	100	2(87)
45	CG Power Holdings Ireland Limited (liquidated w.e.f 11. 04.2014)	Foreign Company	Subsidiary	100	2(87)

## IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

### A) CATEGORY WISE SHAREHOLDING

FRACTIONS ROUNDED OFF TO TWO DECIMAL PLACES

S NO	CATEGORY OF SHAREHOLDER	NUMBER OF SHARES HELD AS ON 01.04.2014 (On the basis of shareholding pattern of 31.03.2014)				NUMBER OF SHARES HELD AS ON 31.03.2015				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(A)	<b>Promoters</b>									
1	<b>Indian</b>									
(a)	Individuals/HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	255945608	0	255945608	40.84	215451070	0	215451070	34.38	-6.46
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(1)</b>	<b>255945608</b>	<b>0</b>	<b>255945608</b>	<b>40.84</b>	<b>215451070</b>	<b>0</b>	<b>215451070</b>	<b>34.38</b>	<b>-6.46</b>
2	<b>Foreign</b>									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	11505462	0	11505462	1.84	0	0	0	0.00	-1.84
(d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(2)</b>	<b>11505462</b>	<b>0</b>	<b>11505462</b>	<b>1.84</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>-1.84</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>267451070</b>	<b>0</b>	<b>267451070</b>	<b>42.67</b>	<b>215451070</b>	<b>0</b>	<b>215451070</b>	<b>34.38</b>	<b>-8.30</b>
(B)	<b>Public shareholding</b>									
1	<b>Institutions</b>									
(a)	Mutual Funds	97962561	5166	97967727	15.63	153323820	5166	153328986	24.46	8.83
(b)	Banks / FI	1114225	79360	1193585	0.19	1587704	79360	1667064	0.27	0.08
(c)	Central Government	3633298	0	3633298	0.58	0	0	0	0.00	-0.58
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	42260986	0	42260986	6.74	39115206	0	39115206	6.24	-0.50
(g)	FIs	121014346	80362	121094708	19.32	96699102	80362	96779464	15.44	-3.88
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (B)(1)</b>	<b>265985416</b>	<b>164888</b>	<b>266150304</b>	<b>42.47</b>	<b>290725832</b>	<b>164888</b>	<b>290890720</b>	<b>46.41</b>	<b>3.95</b>
2	<b>Non-institutions</b>									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(a)(i)	Indian	32531470	53161	32584631	5.20	53055703	47461	53103164	8.47	3.27
(a)(ii)	Overseas	175006	350	175356	0.03	434261	350	434611	0.07	0.04
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)(i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	39634413	5666081	45300494	7.23	46473230	5384638	51857868	8.27	1.05
(b)(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	6115718	121520	6237238	0.99	8398336	121520	8519856	1.36	0.36
(c)	Qualified Foreign Investor	50	0	50	0.00	0	0	0	0.00	0.00
(d)	Other (specify)									
d-i	NRI Rep	1158722	8255	1166977	0.19	1367222	8377	1375599	0.22	0.03
d-ii	NRI Non -Rept	708766	67947	776713	0.12	890443	54157	944600	0.15	0.03
d-iii	Foreign Bodies	5516442	0	5516442	0.88	3192002	0	3192002	0.51	-0.37
d-iv	Foreign National	3333	0	3333	0.00	2808	0	2808	0.00	-0.00
	<b>Sub Total (B)(2)</b>	<b>85843920</b>	<b>5917314</b>	<b>91761234</b>	<b>14.64</b>	<b>113814005</b>	<b>5616503</b>	<b>119430508</b>	<b>19.06</b>	<b>4.41</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>351829336</b>	<b>6082202</b>	<b>357911538</b>	<b>57.11</b>	<b>404539837</b>	<b>5781391</b>	<b>410321228</b>	<b>65.47</b>	<b>8.36</b>
	<b>Total (A+B)</b>	<b>619280406</b>	<b>6082202</b>	<b>625362608</b>	<b>99.78</b>	<b>619990907</b>	<b>5781391</b>	<b>625772298</b>	<b>99.84</b>	<b>0.07</b>
(C)	<b>Custodians for GDRs &amp; ADRs</b>	1383534	0	1383534	0.22	973844	0	973844	0.16	-0.07
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>620663940</b>	<b>6082202</b>	<b>626746142</b>	<b>100.00</b>	<b>620964751</b>	<b>5781391</b>	<b>626746142</b>	<b>100.00</b>	<b>0.00</b>

## B ) SHAREHOLDING OF PROMOTERS

FRACTIONS ROUNDED OFF TO TWO DECIMAL PLACES

S.NO	SHAREHOLDER'S NAME	SHAREHOLDING AS ON 01.04.2014 (on the basis of shareholding pattern of 31.03.2014)			SHAREHOLDING AS ON 31.03.2015			% CHANGE IN SHAREHOLDING DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	
1	Avantha Holdings Limited	255937034	40.83	24.51	215442496	34.38	22.59	6.46
2	Varun Prakashan Private Limited	5022	0.00	0.00	5022	0.00	0.00	0.00
3	Avantha Realty Limited	3552	0.00	0.00	3552	0.00	0.00	0.00
4	Lustre International Limited	4314712	0.69	0.00	0	0.00	0.00	0.69
5	Corella Investments Limited	7190750	1.15	0.00	0	0.00	0.00	1.15

## C ) CHANGE IN PROMOTERS' SHAREHOLDING

FRACTIONS ROUNDED OFF TO TWO DECIMAL PLACES

S.NO	PARTICULARS	SHAREHOLDING AS ON 01.04.2014 (on the basis of shareholding pattern of 31.03.2014)		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY

### 1. Avanta Holdings Limited

(i)	At the beginning of the year	255937034	40.84	255937034	40.84
(ii)	Date	27.11.2014			
	Reason	Sale of shares	52000000	8.30	203937034
(iii)	Date	22.12.2014			
	Reason	Acquisition of shares from Corella Investments Ltd and Lustre International Ltd for consolidation of holding	11505462	1.84	215442496
(iv)	At the end of the year	215442496	34.38	215442496	34.38

### 2. Lustre International Limited

(i)	At the beginning of the year	4314712	0.69	4314712	0.69
(ii)	Date	22.12.2014			
	Reason	Sale of shares to Avantha Holdings Ltd for consolidation of its holdings	4314712	0.69	0
(iii)	At the end of the year	0	0.00	0	0.00

### 3. Corella Investments Limited

(i)	At the beginning of the year	7190750	1.15	7190750	1.15
(ii)	Date	22.12.2014			
	Reason	Sale of shares to Avantha Holdings Ltd for consolidation of its holdings	7190750	1.15	0
(iii)	At the end of the year	0.00	0.00	0	0.00

**D ) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS:  
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):**

**FRACTIONS ROUNDED OFF  
TO TWO DECIMAL PLACES**

S.NO	NAME OF THE SHAREHOLDER	SHAREHOLDING AS ON 01.04.2014 (On the basis of shareholding pattern of 31.03.2014)		CHANGE IN SHAREHOLDING (No. of shares)		SHAREHOLDING AS ON 31.03.2015	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	HDFC Trustee Company Limited – HDFC Multiple Yield Fund	58269500	9.30	0	460000	57809500	9.22
2	Life Insurance Corporation Of India P & GS Fund	36475972	5.82	0	6404064	30071908	4.80
3	Reliance Emergent India Fund	14850292	2.37	22023036	7689551	29183777	4.66
4	ICICI Prudential Value Fund Series 1 *	1660774	0.27	25475986	6591497	20545263	3.28
5	Birla Sun Life Trustee Company Private Limited Ac Birla Sun Life 95 Fund	6875943	1.10	11857293	2708926	16024310	2.56
6	HDFCSL Shareholders Solvency Margin Account	13656666	2.18	3564123	2841497	14379292	2.29
7	ICICI Prudential Life Insurance Company Ltd *	0	0	13135156	6133	13129023	2.10
8	UTI-Opportunities Fund *	3471510	0.56	6551909	313549	9709870	1.55
9	Copthall Mauritius Investment Limited	9378638	1.50	2753336	2845483	9286491	1.48
10	Government Pension Fund Global	17953062	2.86	6857744	15560996	9249810	1.48
11	Amansa Capital Pte Limited A/C Amansa Holdings Private Limited #	8578378	1.37	685540	9263918	0	0.00
12	National Westminster Bank Plc as Depository of M And G Global Emerging Markets Fund a sub fund of M and G Investment Funds 7 #	12440000	1.99	0	12440000	0	0.00
13	HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited #	11453942	1.83	0	3146815	8307127	1.33

\* Not in the list of top 10 shareholder as on 1 April 2014 but is one of the top 10 shareholder as on 31 March 2015.

# Not in the list of top 10 shareholder as on 31 March 2015 but is one of the top 10 shareholder as on 1 April 2014.

## E ) SHAREHOLDING OF DIRECTORS AND EACH KEY MANAGERIAL PERSONNEL

S.NO	SHAREHOLDING OF EACH DIRECTORS AND EACH KEY MANAGERIAL PERSONNEL	SHAREHOLDING AS ON 01.04.2014		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO.OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO.OF SHARES	% OF TOTAL SHARES OF THE COMPANY
<b>B Hariharan, Non-Executive Director</b>					
1	As on 01.04.2014	657	0.00	657	0.00
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0.00	657	0.00
3	As on 31.03.2015	657	0.00	657	0.00
<b>Dr Valentin von Massow, Independent Director [GDR]</b>					
1	As on 01.04.2014	2687	0.00	2687	0.00
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0.00	2687	0.00
3	As on 31.03.2015	2687	0.00	2687	0.00

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

IN RUPEES

INDEBTEDNESS AS ON 01.04.2014	SECURED LOAN EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
(i) Principal amount	299,550,000	8,935,437	0	308,485,437
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	399,661	0	0	399,661
<b>Total (i+ii+iii)</b>	<b>299,949,661</b>	<b>8,935,437</b>	<b>0</b>	<b>308,885,098</b>
<b>Changes in Indebtedness during the financial Year</b>				
Addition	7,023,652,835	0	0	7,023,652,835
Reduction	(84,958,949)	(3,497,497)	0	(88,456,446)
<b>Net Changes</b>	<b>6,938,693,886</b>	<b>(3,497,497)</b>	<b>0</b>	<b>6,935,196,389</b>
<b>Indebtedness as on 31.03.2015</b>				
(i) Principal amount	7,188,369,703	5,437,940	0	7,193,807,643
(ii) Interest due but not paid	50,273,844	0	0	50,273,844
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>7,238,643,547</b>	<b>5,437,940</b>	<b>0</b>	<b>7,244,081,487</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A ) REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER :

IN RUPEES

SL.NO	PARTICULARS OF REMUNERATION	LAURENT DEMORTIER CEO & MANAGING DIRECTOR	TOTAL AMOUNT
1	Gross salary :		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,10,86,218	5,10,86,218
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	64,74,915	64,74,915
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
(a)	as % of profit	66,32,000	66,32,000
(b)	others (Variable Pay)	0	0
5	Others (Provident Fund / Gratuity Fund / Super annuation Fund)	14,40,000	14,40,000
	<b>Total (A)</b>	<b>6,56,33,133</b>	<b>6,56,33,133</b>

In terms of the provisions of the Companies Act, 2013, the remuneration payable to the Managing Director or Whole-time Director or Manager of the Company shall not exceed 5% of the net profits of the Company. The remuneration paid to Mr Laurent Demortier, CEO & Managing Director of the Company is within the said limit.

### B ) REMUNERATION TO OTHER DIRECTORS

IN RUPEES

SL. NO	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS									TOTAL AMOUNT
		MR GAUTAM THAPAR	MR SHIRISH APTE	DR OMKAR GOSWAMI	MR B HARIHARAN	MR SANJAY LABROO	DR (MRS) COLETTE LEWINER	MR SURESH PRABHU #	MS MEHER PUDUMJEE	DR VALENTIN VON MASSOW	
1	Independent Directors										
	Fee for attending Board and Committee meetings	--	4,20,000	--	--	4,40,000	1,40,000	2,00,000	1,40,000	1,80,000	
	Commission	--	63,70,000	--	--	14,25,000	34,95,000	8,78,000	9,33,000	47,84,000	
	Others	--	0	--	--	0	0	0	0	0	
	<b>Total (1)</b>	--	<b>67,90,000</b>	--	--	<b>18,65,000</b>	<b>36,35,000</b>	<b>10,78,000</b>	<b>10,73,000</b>	<b>49,64,000</b>	<b>1,94,05,000</b>
2	Other Non-Executive Directors										
	Fee for attending Board and Committee meetings	2,80,000	--	3,20,000	2,20,000	--	--	--	--	--	
	Commission	3,95,58,000	--	0*	20,50,000	--	--	--	--	--	
	Others	0	--	0	0	--	--	--	--	--	
	<b>Total (2)</b>	<b>3,98,38,000</b>	--	<b>3,20,000</b>	<b>22,70,000</b>	--	--	--	--	--	<b>4,24,28,000</b>
	<b>Total (B) = (1 + 2)</b>	<b>3,98,38,000</b>	<b>67,90,000</b>	<b>3,20,000</b>	<b>22,70,000</b>	<b>18,65,000</b>	<b>36,35,000</b>	<b>10,78,000</b>	<b>10,73,000</b>	<b>49,64,000</b>	<b>6,18,33,000</b>

\* Dr Goswami relinquished the commission payable to him for FY 2014-15

# Resigned on 7 November, 2014

In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profits of the Company. The remuneration paid to the Directors of the Company mentioned aforesaid is within the said limit.



**C ) REMUNERATION TO KEY MANAGERIAL PERSONNEL (KMP) OTHER THAN MD/WTD/MANAGER :**
**IN RUPEES**

SL. NO	PARTICULARS OF REMUNERATION	NAME OF KMP		TOTAL AMOUNT
		MR MADHAV ACHARYA (CFO)	MS MINAL BHOSALE (CS)	
1	Gross salary :			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,47,64,736	42,93,084	<b>29,057,820</b>
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	5,01,900	48,900	<b>5,50,800</b>
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	<b>0</b>
2	Stock Option	0	0	<b>0</b>
3	Sweat Equity	0	0	<b>0</b>
4	Commission as % of profit others (Variable Pay)	0 46,26,000	0 10,27,688	<b>0 56,53,688</b>
5	Others (Provident Fund / Gratuity Fund / Super annuation Fund)	10,08,600	2,62,080	<b>12,70,680</b>
	<b>Total</b>	<b>3,09,01,236</b>	<b>56,31,752</b>	<b>3,65,32,988</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [RD / NCLT / COURT]	APPEAL MADE, IF ANY (GIVE DETAILS)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

On behalf of the Board of Directors

**G Thapar**  
**CHAIRMAN**

Mumbai, 28 May 2015

# CORPORATE GOVERNANCE

**The Company's (CG's) Philosophy on Corporate Governance** CG's undeterred commitment towards adoption of best corporate governance practices goes beyond compliance of the law and endeavors to embrace responsibility for corporate actions and fruitful impact of its initiatives on all stakeholders. CG continuously strives for betterment of its corporate governance mechanisms in order to improve efficiency, transparency and accountability of its operations.

## **BOARD OF DIRECTORS** **COMPOSITION**

The Company has adopted the Board Diversity Policy to ensure that the composition of the Board is optimum, balanced and diverse so as to benefit from fresh perspectives, new ideas, vigorous challenges and broad experience. As on the date of this Report, the Company has a nine member Board of Directors. The Chairman, Mr Gautam Thapar is a Non-Executive Director and represents

the Promoter Group. Mr Laurent Demortier is the CEO and Managing Director.

Five other Non-Executive Directors – Mr Shirish Apte, Mr Sanjay Labroo, Dr (Mrs) Colette Lewiner, Ms Meher Pudumjee and Dr Valentin von Massow are independent in terms of Clause 49 of the Listing Agreement and Companies Act, 2013. Two other Directors – Mr B Hariharan and Dr Omkar Goswami are Non-Executive Directors.

Thus, as at 28 May 2015, the Board of Crompton Greaves comprises of one Executive





**CG continuously strives for betterment of its corporate governance mechanisms in order to improve efficiency, transparency and accountability of its operations.**

First power transformer factory in the Kingdom of Saudi Arabia, with state-of-the-art manufacturing facilities



CG's IBU offerings comprise low cost, integrated, energy efficient and intelligent solutions for industries

**TABLE 1**

## COMPOSITION OF THE BOARD AS ON 28 MAY 2015

NAME	PARTICULARS	OTHER BOARD REPRESENTATIONS		
		Directorships (a)	Committee Memberships (b)	Committee Chairmanships (b)
Mr Gautam Thapar	Non-Executive; Chairman; Promoter	11	2	0
Mr Laurent Demortier	Executive; CEO and Managing Director	3	0	0
Mr Shirish Apte	Non-Executive; Independent	0	0	0
Dr Omkar Goswami	Non-Executive	10	7	1
Mr B Hariharan	Non-Executive	9	4	3
Mr Sanjay Labroo	Non-Executive; Independent	16	2	0
Dr (Mrs) Colette Lewiner	Non-Executive; Independent	0	0	0
Ms Meher Pudumjee	Non-Executive; Independent	8	1	0
Dr Valentin von Massow	Non-Executive; Independent	1	0	0

Notes: (a) Includes only Indian companies, but excludes alternate directorships.

(b) Of only Audit Committees and Shareholders Grievances Committees of public limited companies.

Director and eight Non-Executive Directors, of whom five are Independent Directors. **Table 1** gives the composition of the Board, and the number of outside Directorships held by each. None of the Directors are related to each other.

#### BOARD MEETINGS

There were eight Board Meetings held during FY 2015: on 28–29 May 2014, 16 July 2014, 4–5 August 2014, 16 October 2014 (2 meetings of which one was towards approving Consumer Business Unit demerger), 2 February 2015, 19 February 2015 and 3 March 2015. The Company's last Annual General Meeting was held on 5 August 2014. **Table 2** gives the attendance record of the Directors.

Meetings of the Board are pre-scheduled. Board meetings are convened by giving appropriate notice to the Directors. Though the meetings are usually held at the Company's Registered Office, Board meetings are regularly held at a plant location, which gives an opportunity to the Board to interact with CG's workforce and other stakeholders. This forms part of the Familiarisation Program of the Company which helps the Directors understand the Company's operations closely and facilitate interaction with

business management below the level of CEO & Managing Director. Other facets of the Familiarisation Program are available on the Company's website.

*Weblink : <http://www.cgglobal.com/frontend/finalnonproduct.aspx?cnl2=yrnPqECUvhk>*

The Board critically evaluates the Company's strategic direction, risks and opportunities, key projects in M&A, investments, financial performance, asset optimization, management policies and their effectiveness. The Board has dedicated meetings for review of annual strategic and operating plans, capital allocation and annual budgets of businesses.

Additionally, the Board reviews the compliance processes, internal control systems and material occurrences in the areas of EHS, financial liabilities, regulatory claims and developments in human resources.

#### INDEPENDENT DIRECTORS' MEETING

During the year under review, a meeting of the Independent Directors was held on 3 February 2015. All Independent Directors were present at the meeting to discuss the performance evaluation of the Board and Chairman, assess information flows from Management to

**The Familiarisation Program of CG helps the Directors understand the Company's operations closely and facilitate interaction with business management below the level of CEO & Managing Director.**

**TABLE 2**

## ATTENDANCE RECORD OF THE DIRECTORS, FY 2015

NAME	ATTENDANCE	
	Board Meetings	Last AGM
Mr Gautam Thapar	8	Yes
Mr Sudhir Trehan*	0	No
Mr Laurent Demortier	8	Yes
Mr Shirish Apte	8	Yes
Dr Omkar Goswami	8	Yes
Mr B Hariharan	8	Yes
Mr Sanjay Labroo	8	No
Dr (Mrs) Colette Lewiner	4	No
Mr Suresh Prabhu*	5	Yes
Ms Meher Pudumjee	5	Yes
Dr Valentin von Massow	7	Yes

\* Retired on 5 August 2014, at AGM.

\* Resigned on 7 November 2014.

**TABLE 3****COMPENSATION OF THE DIRECTORS, FY 2015****(IN RUPEES)**

	SALARY	PERQUISITES, ALLOWANCES, REIMBURSEMENTS	COMMISSION	RETIREMENT BENEFITS	OTHERS	SITTING FEE	TOTAL
Mr Gautam Thapar			3,95,58,000			2,80,000	3,98,38,000
Mr Laurent Demortier	1,20,00,000	4,55,61,133	66,32,000	14,40,000		0	6,56,33,133
Mr Shirish Apte			63,70,000			4,20,000	67,90,000
Dr Omkar Goswami #			0			3,20,000	3,20,000
Mr B Hariharan			20,50,000			2,20,000	22,70,000
Mr Sanjay Labroo			14,25,000			4,40,000	18,65,000
Dr (Mrs) Colette Lewiner			34,95,000			1,40,000	36,35,000
Mr Suresh Prabhu*			8,78,000			2,00,000	10,78,000
Ms Meher Pudumjee			9,33,000			1,40,000	10,73,000
Dr Valentin von Massow			47,84,000			1,80,000	49,64,000

\*Resigned on 7 November 2014.

#Relinquished the commission payable to him for FY 2014–2015.

**The Company has adopted the Board Diversity Policy to ensure that the composition of the Board is optimum, balanced and diverse so as to benefit from fresh perspectives, new ideas, vigorous challenges and broad experience.**

the Board and the current strategic and operational position of the Company.

### **DIRECTORS' COMPENSATION CEO & MANAGING DIRECTOR'S COMPENSATION**

The annual remuneration package of Mr Laurent Demortier, CEO and Managing Director comprises a fixed salary component, a basket of allowances/reimbursements, performance bonus or incentive/commission, housing and other cash as well as non-cash perquisites usually applicable to expatriate appointments at this level. The shareholders at the Annual General Meeting held on 19 July 2011, have empowered the Nomination and Remuneration Committee of the Board to revise the remuneration package upto a ceiling of 5% of the Company's net profits, as permitted by the Companies Act.

A service contract exists with Mr Laurent Demortier which contains his terms and conditions of service, including remuneration, notice period, severance compensation, etc, as approved by the Nomination and Remuneration Committee and the Board of Directors, from time to time, within the overall limits approved by the shareholders, as mentioned above.

### **NON- EXECUTIVE DIRECTORS' COMPENSATION**

The shareholders, at the 73<sup>rd</sup> Annual General Meeting held on 19 July 2010, approved payment of commission to the Company's Non-Executive Directors, collectively, upto 1% of net profits, as permitted by the Companies Act, 1956. The Board has formulated Guidelines for apportionment of commission amongst the Non-Executive Directors, which provides for a minimum fixed payment for participation at Board Meetings and Committee Meetings and also a variable component for greater involvement with the Company's initiatives and strategic direction, and for roles as nominee directors on the Board/ Committees of joint ventures, subsidiaries and associate companies, based on their attendance. Based on these Guidelines, the commission payable to Mr Gautam Thapar is higher than the other Non-Executive Directors. The compensation of all the Directors is given in **Table 3**.

The Company does not have any stock option plans or schemes. Any pecuniary transaction, if so undertaken between Director and the Company in the ordinary course of business is reflected in the Related Party disclosures in the Financial Statements.



Strong growth in the Smart Grid segment with ZIV solutions foreseen after key wins in Europe and Saudi Arabia

## DIRECTORS' SHAREHOLDING

As on 31 March 2015, Mr B Hariharan held 657 equity shares of Rs 2/- each and Dr Valentin von Massow held 2,687 Global Depository Receipts; none of the other Non-Executive Directors held any shares in the Company.

## CODE OF CONDUCT

The Company has a Code of Conduct for Directors and Senior Management that reflects its high standards of integrity and ethics. The Directors and Senior Management of the Company have affirmed their adherence to this Code of Conduct for FY 2014–2015. As required by Clause 49 of the Listing Agreement, Mr Laurent Demortier, as the Company's CEO and Managing Director, has signed and confirmed adherence to this Code of Conduct, which is annexed to this Report.

## COMMITTEES OF THE BOARD

### RISK AND AUDIT COMMITTEE

As on the date of this Report, the Risk and Audit Committee is comprised of three Non-Executive Directors, of whom two are Independent. The composition is as under :

- Mr Shirish Apte  
(Chairman, Independent Director)

- Dr Omkar Goswami  
(Non-Executive Director)
- Mr Sanjay Labroo (Independent Director)
- Mr Suresh Prabhu\* (Independent Director)

\*Resigned on 7 November 2014.

The CEO and Managing Director, Chief Financial Officer, Chief of Internal Audit and representatives of the Statutory Auditors attend the meetings of Risk and Audit Committee. The Company Secretary is the Secretary to this Committee.

The Chairman of the Risk and Audit Committee briefs the Board of Directors on the discussions at the Risk and Audit Committee Meeting at every Board Meeting and the Minutes of all these Committee Meetings are also circulated to the Board of Directors, for a full disclosure of the discussions at these Meetings.

The Company has an independent in-house internal audit function with adequate professional resources and skills, aligned with the Company's nature, size and complexity of business. The Head of Internal Audit reports directly to the CEO and Managing Director and also to the Risk and Audit Committee. The Company believes that an independent and professional Internal Audit Team is the key to an objective assurance on the internal control processes and from that perspective

regularly reviews the adequacy of staffing and competencies of the Internal Audit team.

The Risk and Audit Committee monitors the financial reporting processes and other processes as per the regulatory requirements mandated by the Companies Act, 2013, and Clause 49 of the Listing Agreement.

The Global audit plan is approved by the Risk and Audit Committee which regularly reviews the compliance to the plan. During the year, the Risk and Audit Committee focussed on review of the design and operating effectiveness of control processes for the business areas of strategic importance to the Company, prioritised on the basis of potential impact on revenue profitability of those businesses and their risk rating. The Committee also assessed opportunities for improvement in business processes, systems and controls; provided recommendations designed to add value to the organisation and followed up on the implementation of corrective actions and improvements in business processes.

The Committee concentrated on review of; receivables management and cash management operations, operational drivers of profitability, new and existing investment plans and capital allocation proposals. A review of the robustness and effectiveness

**TABLE 4****RISK AND AUDIT COMMITTEE MEETINGS, FY 2015**

DIRECTOR	STATUS	MEETINGS ATTENDED
Mr Shirish Apte	Chairman, Independent Director	8
Dr Omkar Goswami	Member, Non-Executive Director	8
Mr Sanjay Labroo	Member, Independent Director	7
Mr Suresh Prabhu*	Member, Independent Director	5

\* Resigned on 7 November 2014.

**TABLE 5****NOMINATION AND REMUNERATION COMMITTEE MEETINGS, FY 2015**

DIRECTOR	STATUS	MEETINGS HELD	MEETINGS ATTENDED
Mr Sanjay Labroo	Chairman (upto 15 July 2014), Member, Independent Director	3	3
Dr (Mrs) Colette Lewiner	Chairperson (from 16 July 2014), Independent Director	3	3
Mr Gautam Thapar	Member, Non-Executive Director	3	3

**TABLE 6****CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEETINGS, FY 2015**

DIRECTOR	STATUS	MEETING HELD	MEETING ATTENDED
Ms Meher Pudumjee	Chairperson, Independent Director	2	2
Mr Shirish Apte	Member, Independent Director	2	2
Dr Valentin von Massow	Member, Independent Director	2	2
Mr Gautam Thapar	Member, Non Executive Director	2	1

of end-to-end external intermediary contract process adopted by the organisation was conducted. The Committee also tracked the implementation of new accounting standards under the Companies Act, 2013, and assessed their impact on the accounting policies and practices. Review of related party transactions, whistle blower complaints, litigations, inter-corporate transactions is done on a regular basis.

The Company has a comprehensive Avantha Risk Management Policy, which enables risk assessment and suggests the mitigation procedure to the Board, to ensure that management controls the risks through a properly defined framework. The Risk and

Audit Committee reviews the adequacy of the risk management framework of the Company, the key risks associated with the businesses of the Company and the measures and steps in place to mitigate the same, from time to time.

During FY 2015, eight Risk and Audit Committee meetings were held: on 28 May 2014, 27 June 2014, 4 August 2014, 16 October 2014 (2 meetings, of which one was for approving the Consumer Business Unit Demerger), 2 February 2015, 19 February 2015 and 3 March 2015. The attendance record is given in **Table 4**.

**NOMINATION AND REMUNERATION COMMITTEE**

As on the date of this Report, the Nomination and Remuneration Committee of the Company comprised of the following three Non-Executive Directors, of which two, including the Chairman, were independent:

- Dr (Mrs) Colette Lewiner (Chairperson, Independent Director)
- Mr Sanjay Labroo (Independent Director)
- Mr Gautam Thapar (Non-Executive Director)

During FY 2015, three Nomination and Remuneration Committee Meetings were held on: 29 May 2014, 4 September 2014



and 2 February 2015. The attendance record is given in **Table 5**.

The Committee is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors and Senior Management.

The Committee also anchored the performance evaluation of the Board and the CEO & Managing Director. During the year, the Committee also reviewed and guided the Management on the KRAs (Key Result Areas) of members of CG's Core Management team and reviewed their evaluation processes. The Committee recommended senior level appointments, taking into consideration the level of functional competencies and managerial talent required for successfully running the globalised operations of the business.

## REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated the Remuneration Policy which deals with the remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company. The Policy is guided by the principles as envisaged under Section 178 of the Companies Act, 2013. A substantial excerpt of the Policy is enclosed as Annexure to this Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

As on the date of this Report, the Corporate Social Responsibility Committee of the Company comprised of the following four Non-Executive Directors, of which three, including the Chairperson, were independent:

- Ms Meher Pudumjee (Chairperson, Independent Director)
- Mr Shirish Apte (Independent Director)
- Dr Valentin von Massow (Independent Director)
- Mr Gautam Thapar (Non-Executive Director)

CG's CSR Policy adopted by the Board, articulates its CSR principles of responsible corporate citizenship envisaging inclusive growth, diversity and equitable development, making sustained efforts at environment preservation, working with underserved communities and preserving the ecosystem that supports the Company.

During the year, the Corporate Social Responsibility Committee approved the CSR

expenditure budget and Project plan for FY 2015. Besides review of the CSR expenditure and the activities pertaining to CSR by the Committee, a quarterly report on the status of the milestones achieved is presented at the Board Meeting.

During FY 2015, two CSR Committee Meetings were held on 28 May 2014 and 4 February 2015. The attendance record is given in **Table 6**.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee, details of which are given under the Section "Shareholders" in this Report.

## MANAGEMENT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is given as a separate Chapter in the Annual Report.

## DISCLOSURE OF MATERIAL TRANSACTIONS

Considering the size and nature of operations, there were no related party transactions of a materially significant nature in terms of the Listing Agreement with Stock Exchanges that could have a potential conflict with the interests of the Company at large.

## ACCOUNTING POLICIES

The Company has adopted accounting treatments which are in conformance with those prescribed by the applicable Accounting Standards.

## IT ACTIVITIES

As permitted under the Companies Act, 2013, the Company maintains its books of accounts in electronic form. The Company hosts and manages all business applications and data in its own Tier 3 data center located at Mumbai and does not utilise any cloud or third party hosted environments for this service.

## WHISTLE BLOWER POLICY

The Company has formulated a Whistle Blower Policy for employees to report concerns of unethical behaviour and violation of the Company's Code of Business Practices. The details of the policy are contained in the Directors' Report and are also posted on the website of the Company. The Whistle blowers are not denied access to the Risk and Audit Committee.

**A review of the robustness and effectiveness of end-to-end external intermediary contract process adopted by the organisation was conducted.**

**TABLE 7****DETAILS OF ANNUAL GENERAL MEETINGS**

FINANCIAL YEAR	LOCATION	DATE	TIME
2011-2012	Swatantryaveer Savarkar Rashtriya Smarak, Mumbai 400 028	3 August 2012	3.00 p.m.
2012-2013	Swatantryaveer Savarkar Rashtriya Smarak, Mumbai 400 028	6 August 2013	3.00 p.m.
2013-2014	Swatantryaveer Savarkar Rashtriya Smarak, Mumbai 400 028	5 August 2014	3.00 p.m.

**INSIDER TRADING**

The Company has comprehensive guidelines in accordance with the SEBI Regulations in this regard, which advise and caution the Directors, Management, employees and their connected persons on the procedures to be followed, whilst dealing with the securities of the Company. The Insider Trading Code framed by the Company helps in ensuring compliance with these requirements.

**QUIET PERIOD POLICY**

CG follows a Quiet Period Policy during which the Company does not engage in any discussions, communications or other interaction with analysts, investors or media. This "Quiet Period" commences on the 16<sup>th</sup> of the third month of each quarter and continues upto the conclusion of the Board Meeting at which the financial results for each quarter are announced to the Stock Exchanges. However, during the Quiet Period, the Company's Investor Services Department continues to address investor related issues and communications with the Stock Exchanges and other Regulatory Authorities as required by law.

**SHAREHOLDERS DISCLOSURE REGARDING APPOINTMENT AND/OR RE-APPOINTMENT OF DIRECTORS**

As per the provisions of the Companies Act, 2013, Mr Gautam Thapar retires by rotation at the forthcoming Annual General Meeting. Mr Thapar has offered himself for re-appointment. Mr Gautam Thapar is the founder and Chairman of Avantha Group which operates in more than 90 countries with 25,000 employees and has business interests in diverse areas, including pulp and paper, power transmission

and distribution equipment and services, food processing, energy, infrastructure, information technology (IT) and IT-enabled services, glass containers and life insurance.

An alumnus of the prestigious Doon School, Mr Thapar completed his Chemical Engineering from USA and has 29 years of industrial experience. Mr Thapar is the Chairman of the Board of Directors of Crompton Greaves Limited, Member of its Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Chairman of its Stakeholders' Relationship Committee.

He is a Director on the Boards of various companies, namely Ballarpur Industries Limited, BILT Paper BV, Avantha Business Solutions Limited, Avantha Holdings Limited, Avantha Realty Limited, Global Green Company Limited, Asahi India Glass Limited, JG Containers (Malaysia) Sdn. Bhd., Lavasa Corporation Limited, Sohna Stud Farm Private Limited, Compass Ltd. (Holding Company of Bata International Ltd.), Avantha ERGO Life Insurance Company Limited and Bilt Tree Tech Limited. He is a Member of the Stakeholders' Relationship Committee of Ballarpur Industries Limited and of the Audit Committee of Asahi India Glass Limited.

Mr Thapar is widely recognized for his thought leadership, and was appointed Member of the former National Security Advisory Board. Mr Thapar takes his social responsibilities seriously; this is manifested in his involvement across three sectors: education, leadership development and sports. He is President of Thapar University, Chairman of the Board of Governors- National Institute of Industrial Engineering (NITIE), Chairman of the CII-Avantha Center for Competitiveness for SMEs and Past President of All India Management Association (AIMA). He was awarded AIMA

Honorary Life Fellowship in 2013. A former Chairman of The Ananta Aspen Centre, he is President of the Professional Golf Tour of India (PGTI). In 2013, King's College, London conferred an Honorary Fellowship in recognition of Mr Thapar's 'exceptional achievements in the fields of industry and philanthropy'.

Mr Thapar does not hold any shares in the Company either in his individual capacity, or beneficially for others. However, he exercises control over the Promoter Group holding, aggregating to 21,54,51,070 equity shares, constituting approximately 34.38 percent of the total shareholding of the Company. He does not have any relationship with any of the other Directors on the Board.

**COMMUNICATION TO SHAREHOLDERS**

Full and complete disclosure of information regarding the Company's financial position and performance is an important part of the Company's Corporate Governance ethos. The Company has demonstrated this commitment by sending its shareholders a full version of its Annual Report, despite a Regulatory exemption. Towards providing better and clearer information, the stand-alone as well as consolidated balance sheet and statement of profit and loss are also provided in USD and Euro in the Annual Report to give shareholders a better perspective of the Company's performance in these two major international currencies. The Company welcomes the "Green Initiatives" being promoted by the Ministry of Corporate Affairs (MCA), to encourage e-enabled regulatory compliances, in its efforts to conserve consumption of paper and preserve the environment. In furtherance of this important initiative, the Companies Act, 2013, has permitted companies to provide

its shareholders documents, including the Annual Report, by electronic mode. In support of MCA's endeavours in this direction, the Company sends its Annual Report as well as other shareholder correspondence by e-mail to e-addresses registered with the Company/ Depository Participants for communication purposes. In case any such shareholder desires to receive a physical copy of the Annual Report, the Company will be happy to provide the same upon request. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays.

Clause 41 of the Listing Agreement requires a company to only submit stand-alone unaudited financial results and, gives an option to a company having subsidiaries, to submit consolidated results to Stock Exchanges. However, despite this Regulatory exemption available, the Company has consciously chosen on a quarterly basis to submit quarterly consolidated unaudited financial results to the Stock Exchanges, and additionally also publish both stand-alone and consolidated financial results in the newspapers, for better disclosures to its shareholders and the general investor community.

The Company's quarterly results in the format prescribed by the Stock Exchanges are approved and taken on record by the Board within the prescribed timeframe, and sent immediately to all Stock Exchanges on which the Company's shares are listed. These results are published in leading newspapers – The Financial Express, in English and Loksatta, in vernacular, and are also uploaded on the "NEAPS" and "LISTING BSEINDIA" websites sponsored by the National Stock Exchange of India Limited and BSE Limited respectively. The Company further files on-line information on financial statements and other matters specified, on the PN Newswire website which is approved by the London Stock Exchange.

After every quarterly Board Meeting for declaration of results, the Company conducts an analyst interaction, to provide greater transparency and clarifications on the Company's financial performance. Copies of the results are emailed to shareholders whose email addresses are available with the Company or Depository Participants for communication purposes.

Information about the Company in general, its financial results, and other information,

including official press releases can also be accessed at the Company's website. The "Information to Investor" section of the CG website provides "live" share prices of CG, as well as, graphical information relating to the historical share prices and published financials. Graphs relating to income & profitability, balance sheet & equity position, ratios, share returns on the stand-alone and consolidated position of CG are readily available, across a number of years, in a user friendly manner for use by retail investors and researchers.

CG's Investor Query System, a web based system continues to support the shareholders in sending queries relating to any processing activity concerning their shareholding in CG.

### INFORMATION ON GENERAL BODY MEETINGS

The details of the last three Annual General Meetings are indicated in **Table 7**. Given below are the special resolutions that were approved by shareholders at the last three Annual General Meetings held on:

#### **3 August 2012**

No Special Resolution was passed at the 75<sup>th</sup> Annual General Meeting held on 3 August 2012.

#### **6 August 2013**

No Special Resolution was passed at the 76<sup>th</sup> Annual General Meeting held on 6 August 2013.

#### **5 August 2014**

Following Special Resolutions were passed at the 77<sup>th</sup> Annual General Meeting held on 5 August 2014 :

- a. Appointment of Mr Sanjay Labroo as Independent Director
- b. Appointment of Ms Meher Pudumjee as Independent Director
- c. Appointment of Dr Valentin von Massow as Independent Director
- d. Creating Mortgage/Charge on the assets of the Company
- e. Alteration of Articles of Association

**Given below is the Special Resolution that was approved by shareholders through postal ballot.**

#### **5 December 2014**

On 5 December 2014, the shareholders approved a resolution for increase in the limit of shareholding by registered Foreign Institutional Investors/Foreign Portfolio Investors (FIIs)/ (FPIs) from 24% to 100% of the paid up capital of the Company, through postal ballot, without convening an Extra-ordinary General

**During the year, the Nomination and Remuneration Committee also reviewed and guided the Management on the KRAs (Key Result Areas) of members of CG's Core Management team and reviewed their evaluation processes.**



Leveraging plant capacity utilisation for higher margin with product mix

Meeting. Mr P N Parikh of M/s Parikh & Associates, Practicing Company Secretaries, Mumbai was appointed as Scrutinizer by the Board of Directors for conducting the postal ballot in fair and transparent manner. The Special Resolution was passed with an overwhelming majority of 99.98%. The details of the voting pattern are given in **Table 8:**

#### **DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY**

The Company has complied with all requirements of the Listing Agreement with Stock Exchanges as well as the regulations and guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any Regulatory Authorities for non-compliance on any matter related to capital markets, during the last three years.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Committee comprises of the following Directors:

- Mr Gautam Thapar (Chairman, Non-Executive Director)
- Mr Laurent Demortier (Executive Director)

During FY 2015, the Stakeholders' Relationship Committee met on 3 February, 2015 at which meeting all Members were present.

The Committee reviews the redressal of grievances of security holders of the Company, including investors' complaints related to transfers and transmissions, annual reports, dividends and other share related matters; the periodicity and effectiveness of the share transfer process, regulatory certifications, depository related issues and activities of the Registrar and Transfer Agent. In addition to a review by this Committee, the Company continues its existing practice of reporting to the Directors at each Board Meeting, the number and category of shareholder complaints

received and the status of their resolution. The Company enjoys an extremely high level of investor satisfaction, which is reflected in the very insignificant number of investor complaints.

The Company received ten shareholders' complaints during the financial year under review, which were of a routine nature and were satisfactorily resolved. There are no outstanding complaints or shares pending transfer as on 31 March 2015.

#### **UNCLAIMED SHARES**

Clause 5A of the Listing Agreement with Stock Exchanges requires a listed company to transfer shares, which have remained unclaimed pursuant to a public issue or any other issue, to an Unclaimed Suspense Account with a Depository Participant. The voting rights with respect to the shares held in such Unclaimed Suspense Account are frozen and future share allotments are also to be issued directly to such account. This Clause requires a Company to send three reminders

**TABLE 8**

PARTICULARS	NO. OF SHARES HELD (1)	NO. OF VOTES POLLED \$ (2)	% OF VOTES POLLED ON OUTSTANDING SHARES (3)=[(2)/(1)]*100	NO. OF VOTES - IN FAVOUR (4)	NO. OF VOTES- AGAINST (5)	% OF VOTES IN FAVOUR-ON VOTES POLLED (6)=[(4)/(2)]*100	% OF VOTES AGAINST-ON VOTES POLLED (7)=[(5)/(2)]*100
E-Voting		450737215	71.92	450731350	5865	100.00	0.00
Physical Postal Ballot	626746142	3118937	0.50	3038127	80810	97.41	2.59
<b>Total</b>	<b>626746142</b>	<b>453856152</b>	<b>72.41</b>	<b>453769477</b>	<b>86675</b>	<b>99.98</b>	<b>0.02</b>

\$ excludes invalid votes

in this regard before the transfer. During FY 2015, 1 shareholder has claimed 73 shares which were transferred to his demat account.

## GOVERNANCE OF SUBSIDIARIES

The subsidiaries of the Company are adequately empowered through delegation of the operational powers to local Management at all locations. The Management of subsidiary companies are responsible for statutory compliances, health & safety concerns, integrity of accounts and assurance on internal controls. The material contents of the minutes of Board Meetings of all Indian as well as foreign subsidiaries of the Company are placed before the Board of Directors of the Company. The Company has also established a mechanism through which financial concerns, material defaults, show cause notices, dangerous occurrences, product liability claims, significant developments in human resources, major financial decisions, and similar significant actions/decisions of all subsidiary companies are reported to the Company's Board of Directors. In addition, financial statements, compliance issues, internal control procedures and operational risks of these subsidiaries are also reviewed by the Risk and Audit Committee of CG, as applicable.

The Company has formulated a Policy on Material Subsidiaries which is available on the weblink: <http://www.cgglobal.com/pdfs/policies/Policy-determining-Mat-Subsidiaries.pdf>

Significant transactions entered into by the material subsidiaries are monitored on a quarterly basis by the Risk and Audit Committee and the Board.

## CEO/CFO CERTIFICATION

For FY 2015, Mr Laurent Demortier, CEO and Managing Director and Mr Madhav Acharya, Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters, as required by Clause 49 of the Listing Agreement with Stock Exchanges, and the said Certificate is contained in this Annual Report.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance for FY 2015, as prescribed by Clause 49 of the Listing Agreement with Stock Exchanges, which is attached herewith.

## REPORT ON CORPORATE GOVERNANCE

This Chapter, read together with the "Annexure to Corporate Governance" and information given in the chapter titled "Additional Shareholder Information", constitutes the Compliance Report on Corporate Governance for FY 2015.

# ANNEXURE TO CORPORATE GOVERNANCE



## REMUNERATION POLICY

### I. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

NRC (Nomination and Remuneration Committee) plays a critical role in the process of appointment of Directors, KMPs and Senior Management as well as reviewing the outcome of evaluation processes and resulting senior management's compensation.

#### A. Appointment criteria and qualifications:

NRC shall identify and ascertain the qualification, expertise and experience of the persons being considered for appointment as a Director, KMP or at Senior Management level and recommend the appointment to the Board.

#### B. Independence of Independent Directors:

In case of appointment of an Independent Director, such person shall additionally meet the requirements and procedures as stipulated in the Policy which is framed as per the requirements of the Companies Act, 2013, and Clause 49 of the Listing Agreement for determining independence of a director. To establish the continuity of independent status of each independent director, each independent director will be required to submit a duly filled up questionnaire which determines his independence status, each year. After reviewing the responses in the form, the Company Secretary will make a report regarding fulfillment of criteria for

independence by each independent director to the Lead Director of the Nomination and Remuneration Committee.

### II. PROVISIONS RELATING TO REMUNERATION OF DIRECTORS, KMP AND OTHER EMPLOYEES

#### A. Remuneration to Non-Executive Directors (Including Independent Directors):

- Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made there under for the time being in force. The Board shall formulate guidelines for apportionment of commission amongst the Non-Executive Directors ensuring a minimum fixed payment for participation at Board Meetings and Committee Meetings and also a variable component for contributions as Chairpersons of Board/Committees, roles as nominee directors on the Board/Committees of joint ventures, subsidiaries and associate companies and their involvement with the Company's initiatives and strategic direction.
- Sitting Fees: The Non- Executive Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that, the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 as, per meeting of the Board or Committee.

- Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

#### B. CEO and Managing Director:

The remuneration paid to the CEO and Managing Director and revisions thereto are recommended by the NRC and approved by the Board, within the framework of shareholders' approval. The remuneration to CEO and Managing Director shall take into account the Company's overall performance, Managing Director's contribution towards Company's performance and trends in the industry in general, in a manner, which will ensure and support a high performance culture. The annual remuneration package of the CEO and Managing Director of the Company comprises of a fixed salary component, a basket of allowances/reimbursements, performance bonus or incentive/commission, housing and other cash as well as non-cash perquisites. The payment of a significant part of the performance linked bonus/commission may be delayed over a period of one or more years.

#### C. Key Managerial Personnel, Senior Management and other executives:

- CG Reward Philosophy: Executive compensation would be guided by the external competitiveness and internal parity through benchmarking surveys.



55,000 households to benefit from the "Windsun" at the 75 MW Seine Rive Gauche Nord wind farm in France

- Fixed and variable pay: Remuneration would comprise of fixed and variable components of the remuneration to ensure that employees are rewarded for professional services rendered in line with the level of expertise and skill required, as well as, to provide an incentive to pursue the goals and interests of the Company. Senior Management compensation shall comprise of a higher component of variable pay as compared to the lower levels.
- Annual remuneration review: Average increase in remuneration every year would be a result of growth of economy, inflation, mandatory increases, business performance, market surveys for salary projections etc. Once the overall increment budget is decided, the increment matrix would aim at creating a sharper differentiation in pay for individual performance. Internally, performance ratings of all executives would be spread across a normal distribution curve. The rating obtained by an employee will be used as an input to determine the fitment into the increment matrix.

#### D. Workmen:

Workmen will be paid wages in accordance to the settlement with the recognized union of the workers as per industry practice, as applicable. Where there is no union, workmen wages are as per the industry practice and applicable law would apply. All remuneration

components would be in accordance with applicable statutory compliances.

### III. PROVISIONS RELATING TO LOANS AND ADVANCES TO EMPLOYEES

The Company may provide loans or advances to its employees. Such loans and advances shall be governed by the provisions of the applicable HR policies, Rules of Procedure for Management and applicable provisions of the Companies Act, 2013, and Rules made thereunder.

### IV. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

On behalf of the Board of Directors

**G Thapar**  
CHAIRMAN

Mumbai, 28 May 2015

**The Company has formulated a Whistle Blower Policy for employees to report concerns of unethical behaviour and violation of the Company's Code of Business Practices.**

# ADDITIONAL SHAREHOLDER INFORMATION

## ANNUAL GENERAL MEETING

### Date

Friday, 24 July 2015

### Time

3.00 p.m.

### Venue

Ravindra Natya Mandir  
Sayani Road  
Prabhadevi  
Mumbai 400 025.

## FINANCIAL CALENDAR

### First Quarter Results

End July/First fortnight of August

### Second Quarter Results

End October/First fortnight of November

### Third Quarter Results

End January/First fortnight of February

### Last Quarter Results and Annual Audited Results

April/May

### Dates of Book Closure

18 July 2015 to 24 July 2015

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 18 July 2015, to Friday, 24 July 2015, both days inclusive.

## UNCLAIMED DIVIDENDS

Dividends pertaining to the financial years 2008–2009 to 2014–2015, which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund. To enable the Members to claim their dividend before its transfer to the above Fund, the proposed dates of transfer are given below:

Date of Declaration of Dividend	Due Date for Transfer to the Investor Education and Protection Fund
21 October 2008	20 November 2015
23 January 2009	22 February 2016
24 March 2009	23 April 2016
27 October 2009	26 November 2016
28 January 2010	27 February 2017
25 October 2010	24 November 2017
28 January 2011	27 February 2018
23 March 2011	22 April 2018
19 October 2011	18 November 2018
31 January 2012	2 March 2019
23 March 2012	22 April 2019
20 July 2012	19 August 2019
1 November 2012	30 November 2019
6 August 2013	5 September 2020
8 November 2013	7 December 2020
29 January 2014	28 February 2021
5 August 2014	4 September 2021
16 October 2014	15 November 2021
3 February 2015	2 March 2022



Meeting the growth challenges of Saudi Electricity Company and other utilities with end-to-end power solutions





The Company has a Code of Conduct for Directors and Senior Management that reflects its high standards of integrity and ethics

## REGISTRAR AND AGENTS

### FOR SHARES

The Company's R&T Agent is Datamatics Financial Services Limited. Datamatics Financial Services Limited is a SEBI registered Registrar and Transfer Agent, whose contact details are:

### DATAMATICS FINANCIAL SERVICES LIMITED

**Unit:** Crompton Greaves Limited

Plot No B-5, Part B Crosslane MIDC

Marol Andheri (East) Mumbai 400 093

**Tel:** + 91 (0) 22 66712151 to 66712160

**Fax:** + 91 (0) 22 6671 2230

**Email:** cginvestors@dfssl.com

### FOR FIXED DEPOSITS

The Company has discontinued acceptance of fresh deposits and also renewal of existing deposits. For any queries regarding unclaimed fixed deposits transferred to the Investor Education Protection Fund, investors are requested to contact:

Mr Anant Naik

Corporate Accounts

Crompton Greaves Limited

Equinox Business Park

6th Floor, Tower I

Off. Bandra Kurla Complex

LBS Marg, Kurla (W)

Mumbai-400070

Queries may also be emailed to  
anant.naik@cgglobal.com

## SHARE TRANSFER SYSTEM

The Company's shares are compulsorily traded in dematerialised form. In the case of transfers in physical form which are lodged at the Registrar and Transfer Agent's office, these are processed within a maximum period of 15 days from the date of receipt. All share transfers and other share related issues are approved by Securities Transfer Committee duly constituted for this purpose. During FY 2015, 22 approvals were obtained. The total number of shares in physical form transferred during the year under review was 30,039 shares.

## DEMATERIALISATION OF SHARES

As on 31 March 2015, 99.08% of the total shares of the Company were dematerialised, compared with 99.03% last year.

## MARKET PRICE DATA THE STOCK EXCHANGE, MUMBAI

1ST TRADING DAY OF THE MONTH

MONTH	HIGHEST OF THE MONTH (RS)	LOWEST OF THE MONTH (RS)	CLOSING (RS)	SENSEX
April 2014	192.70	149.65	157.30	22446.44
May 2014	207.90	162.70	164.95	22403.89
June 2014	219.25	181.50	188.50	24858.59
July 2014	218.55	166.85	202.95	25516.35
August 2014	209.60	184.50	191.70	25480.84
September 2014	231.00	190.65	204.40	26867.55
October 2014	210.95	175.85	200.20	26567.99
November 2014	206.55	184.85	192.60	27860.38
December 2014	194.95	164.60	186.70	28559.62
January 2015	197.35	174.05	186.80	27507.54
February 2015	192.25	153.10	184.40	29122.27
March 2015	185.85	163.00	179.80	29459.14

Share Price

Sensex

As on 31 March 2015

166.00

27957.49

## GLOBAL DEPOSITORY RECEIPTS (GDRs)

The Company issued GDRs in 1996 and the underlying shares for each GDR were issued in the name of The Bank of New York, the Depository. Each GDR of the Company is equivalent to five shares. As on 31 March, 2015, 194,769 GDRs were outstanding, which represented 973,844 underlying equity shares.

## STOCK CODES

### BSE, Mumbai

500093

### National Stock Exchange

CROMPGREAV

### GDR

5090318

### ISIN

INE067A01029 (NSDL & CDSL)

### Corporate Identification Number

L99999MH1937PLC002641

## LISTING DETAILS

The Company's shares are listed and traded on the Mumbai and National Stock Exchanges. The Company's GDRs are listed on the London Stock Exchange. The

details of the Stock Exchanges on which the Company's shares are listed are:

### THE STOCK EXCHANGE, MUMBAI

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001.

### NATIONAL STOCK EXCHANGE OF INDIA LTD

Exchange Plaza, Bandra-Kurla  
Complex, Bandra (E),  
Mumbai 400 051

The Company's payment of  
listing fees is up to date.

## PLANT LOCATIONS

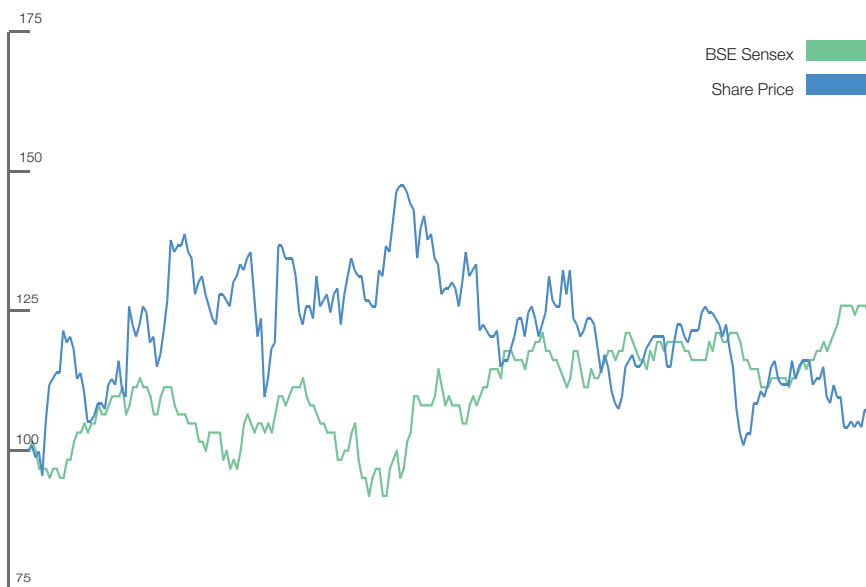
Detailed information on Plant locations, products, establishments and service centres with their contact details, is provided at the end of the Annual Report.

## ADDRESS FOR CORRESPONDENCE CORPORATE SECRETARIAL DEPARTMENT

The Corporate Secretarial Department is located at the Company's Corporate Office at 10<sup>th</sup> Floor, CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.

## SHARE PERFORMANCE vs BSE SENSEX

CROMPTON GREAVES SHARE PRICE AND BSE SENSEX = 100 ON 1 APRIL 2014



1 April 2014

31 March 2015

### INVESTOR SERVICES DEPARTMENT

In addition to the Share Registrar and Transfer Agent, our Investor Services Department, which is located at the Company's Registered Office, will be happy to assist, in case investors experience any difficulties in their interaction with Datamatics Financial Services Limited. Contact Person:

**Mr Shirish Athalekar,**

Deputy Manager - Corporate Secretarial

Time : 2.00 pm to 5.00 pm

(Mondays to Fridays)

**Tel:** +91 22 24237805

**Fax:** +91 22 24237545

**E-mail:** shirish.athalekar@cggglobal.com

### NON-MANDATORY REQUIREMENTS

The Company has implemented the following non-mandatory requirements recommended by Clause 49 of the Listing Agreement:

### CHAIRMAN'S OFFICE

Offices with requisite facilities are provided and maintained at the Company's expense for use by the Chairman of the Company. The Company also reimburses all expenses incurred in his furthering the Company's business interests.

On behalf of the Board of Directors

**G Thapar**

**CHAIRMAN**

Mumbai, 28 May 2015

## DISTRIBUTION OF SHAREHOLDING

AS ON 31 MARCH 2015

NO OF SHARES	NO OF SHAREHOLDERS	% OF SHAREHOLDERS
Upto 500	130957	87.70
501-1000	7922	5.31
1001-2000	4834	3.24
2001-3000	1818	1.22
3001-4000	937	0.63
4001-5000	574	0.38
5001-10000	1193	0.80
10001 and above	1092	0.73
	<b>149327</b>	<b>100.00</b>

## CATEGORIES OF SHAREHOLDERS

AS ON 31 MARCH 2015

CATEGORY	NO OF SHARES OF RS 2 EACH	% OF SHAREHOLDERS
Promoters	215451070	34.38
Indian Institutional Investors	40761657	6.51
Bodies Corporate	53103164	8.47
Foreign Institutional Investors	96779464	15.44
NRIs, OCBs, GDRs	6944077	1.11
Mutual Funds	153328986	24.46
General Public	60377067	9.63
Directors	657	0.00
	<b>626746142</b>	<b>100.00</b>

## CEO & CFO'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Board of Directors  
Crompton Greaves Limited

### CERTIFICATE

We have reviewed the Stand-alone and Consolidated financial results and the cash flow statement of Crompton Greaves Limited (the Company) for the financial year ended 31 March 2015, and certify that:

(a) These results and statements, to the best of our knowledge and belief :

- i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls of which we are aware, and the steps taken and proposed to be taken to rectify these deficiencies.

(d) We have also indicated to the Auditors and the Audit Committee :

- i) significant changes in the internal controls with respect to financial reporting during the year and the achievement of adequate internal controls within the Company's ERP systems;
- ii) significant changes in accounting policies during the year, and these have been disclosed in the notes to the financial statements.

(e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the Management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

**L Demortier**  
CEO & MANAGING DIRECTOR

**M Acharya**  
CHIEF FINANCIAL OFFICER  
Mumbai, 28 May 2015

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
Crompton Greaves Limited  
Mumbai

Dear Sirs,  
We have examined the compliance of conditions of Corporate Governance by Crompton Greaves Limited, for the year ended 31 March 2015, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Sharp & Tannan**  
CHARTERED ACCOUNTANTS  
Firm's Registration No. 109982W  
**Milind P Phadke**  
PARTNER

Membership No. 033013  
Mumbai, 28 May 2015

## **DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT**

This is to certify that all the Members of the Board of Directors and Senior Management (i.e. one level below the Executive Directors i.e. Ex Com level) of the Company, have confirmed compliance with the Company's Code of Conduct during April 2014 to March 2015.

The Company's Code requires every Member of the Board and Senior Management to:

- Fulfill the functions of their office with integrity as well as professionalism and exercise the powers attached thereto, with due care and diligence.
- Act in the best interests of, and fulfill their fiduciary obligations to the Company's shareholders, whilst also considering the interests of other stakeholders.
- Take informed business decisions based on independent judgment and in the best interests of the Company, not influenced by personal interest or gain.
- Respect the confidentiality of information and use utmost discretion whilst deciding its disclosure or dissemination, ensuring that no personal advantage or detriment to the Company results from the same.
- Make available to, and share information with fellow Directors/ Executives when considered expedient in the best interests of the Company.
- Protect and use the Company's assets for legitimate business purposes and be alert to situations that could lead to loss or misuse of these assets.
- Minimise any situation or action that can create conflict of interests of the Company vis-à-vis personal interest or interests of associated persons, and make adequate disclosures, where necessary.
- Act in a manner that will protect the Company's reputation.
- Encourage reporting of behaviour, which is contrary to the Company's "Values", and ensure that the person reporting such violation is not aggrieved in any manner.
- Comply, in letter and spirit, with all applicable laws, rules and regulations, and also honour the philosophy of "good faith", guided by one's sense of right and wrong.
- Abide by the relevant terms of the Insider Trading Code formulated by the Company, and any other Code that may be formulated from time to time, as applicable.
- Adhere to the terms of the powers delegated by the Board.
- Whilst entering into contracts with Service Providers and Consultants, protect the arrangement for disclosure or dissemination of confidential information.
- Establish processes and systems for storage, retrieval and dissemination of documents, both in physical and electronic form, so that the obligations of this Code of Conduct are fulfilled.
- Raise concerns, if any, on the above issues, at a Board Meeting.

**L Demortier**

**CEO AND MANAGING DIRECTOR**

Mumbai, 28 May 2015

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# STAND-ALONE FINANCIALS

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## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Crompton Greaves Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, a Statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - 1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements, (Refer note 30 of the Financial Statements);
    - 2) the Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
    - 3) there has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No.109982W  
 by the hand of

**Milind P. Phadke**  
**PARTNER**

Mumbai, 28th May, 2015

Membership No. 033013

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act. The Company has not granted any loans, secured or unsecured to firms or other parties covered in the register maintained under Section 189 of the Act:
- (a) the receipts of principal amounts and interest have been regular / as per stipulations;
- (b) there are no overdue amounts in excess of ₹ 1 lakh.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
- (v) The Company had accepted deposits from the public and in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder, where applicable, have been complied with. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the books of account and records maintained by the Company specified by the Central Government for the maintenance of cost records under Section 148(1) of the Act are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state

insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31st March, 2015 which have not been deposited on account of a dispute pending, are as under:

Name of the Statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Tax, interest and penalty	5.22	2010-11	Commissionerate (Appeals)
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, interest and penalty	1.16	1989-90 1991-92 1996-97 1999-2000 2005-06 to 2008-09	High Court
		12.86	1992-93 1994-95 1996-97 to 1998-99 2000-01 to 2003-04 2005-06 to 2008-09 2014-15	Tribunal / CESTAT
		53.39	1998-99 to 2012-13 2014-15	Commissionerate (Appeals)
The Central Excise Act, 1944, the Customs Act, 1962 and Service Tax under the Finance Act, 1994	Duty, service tax, interest and penalty	0.21	2001-02 2002-03 2004-05 to 2007-08	High Court
		10.52	1991-92 1999-2000 to 2001-02 2003-04 to 2010-11 2013-14	CESTAT / Tribunal
		7.83	2001-02 to 2014-15	Commissionerate (Appeals)

(\*net of pre-deposit paid in getting the stay / appeal admitted)

- (c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses as at 31st March, 2015 and it has not incurred cash losses in the financial year and in the immediately preceding financial year.



- (ix) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures. Accordingly, the Paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantee given by the Company for loans taken by others from banks or financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purposes for which the term loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any material fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by management.

Mumbai, 28th May, 2015

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
Firm's Registration No.109982W  
by the hand of

**Milind P. Phadke**

**PARTNER**

Membership No. 033013

**BALANCE SHEET AS AT 31ST MARCH, 2015**

	Note No.	As at 31-03-2015	As at 31-03-2014
<b>EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS:</b>			
(a) Share capital	2	125.35	125.35
(b) Reserves and surplus	3	3884.28	3230.72
		<b>4009.63</b>	3356.07
<b>2. NON-CURRENT LIABILITIES:</b>			
(a) Long-term borrowings	4	634.26	0.54
(b) Deferred tax liabilities (net)	5	68.01	73.59
(c) Other long-term liabilities	6	2.81	9.35
(d) Long-term provisions	7	48.22	41.91
		<b>753.30</b>	125.39
<b>3. CURRENT LIABILITIES:</b>			
(a) Short-term borrowings	8	21.50	29.99
(b) Trade payables	9	1431.60	1563.07
(c) Other current liabilities	10	408.38	381.94
(d) Short-term provisions	11	88.40	130.30
		<b>1949.88</b>	2105.30
<b>TOTAL</b>		<b>6712.81</b>	<b>5586.76</b>
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS:</b>			
(a) Fixed assets			
(i) Tangible assets	12	658.81	674.21
(ii) Intangible assets	12	74.63	80.69
(iii) Capital work-in-progress		24.82	42.42
(iv) Intangible assets under development		30.23	25.31
(b) Non-current investments	13	1005.04	805.71
(c) Long-term loans and advances	14	23.14	42.67
		<b>1816.67</b>	1671.01
<b>2. CURRENT ASSETS:</b>			
(a) Current investments	15	160.45	20.63
(b) Inventories	16	523.77	557.78
(c) Trade receivables	17	2263.70	1907.92
(d) Cash and bank balances	18	302.44	442.80
(e) Short-term loans and advances	19	1533.89	890.09
(f) Other current assets	20	111.89	96.53
		<b>4896.14</b>	3915.75
<b>TOTAL</b>		<b>6712.81</b>	<b>5586.76</b>
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	30		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The accompanying notes form an integral part of financial statements

As per our report attached

**SHARP & TANNAN**

**CHARTERED ACCOUNTANTS**

Firm's Registration No. 109982W

by the hand of

**Milind P. Phadke**

**PARTNER**

Membership No. 033013

Mumbai, 28th May, 2015

**Madhav Acharya**

**CHIEF FINANCIAL OFFICER**

**Laurent Demortier**

**CEO & MANAGING DIRECTOR**

**Minal Bhosale**

**COMPANY SECRETARY**

**Gautam Thapar**

**CHAIRMAN**

Mumbai, 28th May, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	Note No.	2014-15	2013-14
<b>INCOME:</b>			
Sales and services		<b>8215.96</b>	7993.62
Less: Excise duty		<b>378.94</b>	422.92
Revenue from operations	21	<b>7837.02</b>	7570.70
Other income	22	<b>179.30</b>	132.41
<b>TOTAL REVENUE</b>		<b>8016.32</b>	7703.11
<b>EXPENSES:</b>			
Cost of raw materials and components consumed and construction materials	23	<b>3637.19</b>	3617.52
Purchases of stock-in-trade	24	<b>2158.75</b>	1993.21
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	<b>26.09</b>	(12.77)
Employee benefits expense	26	<b>522.98</b>	476.36
Finance costs	27	<b>49.37</b>	39.76
Depreciation and amortisation expense	28	<b>96.39</b>	89.35
Other expenses	29	<b>838.69</b>	879.66
<b>TOTAL EXPENSES</b>		<b>7329.46</b>	7083.09
<b>PROFIT BEFORE EXCHANGE GAIN / (LOSS), EXCEPTIONAL ITEMS AND TAX</b>		<b>686.86</b>	620.02
Exchange gain / (loss)		<b>(47.42)</b>	92.43
Exceptional items (net) (Refer note 43)		<b>260.05</b>	-
<b>PROFIT BEFORE TAX</b>		<b>899.49</b>	712.45
<b>TAX EXPENSE:</b>			
Current tax		<b>173.05</b>	167.60
Deferred tax	5	<b>(4.70)</b>	23.76
		<b>168.35</b>	191.36
<b>PROFIT AFTER TAX</b>		<b>731.14</b>	521.09
<b>PROFIT FROM CONTINUING OPERATIONS AFTER TAX</b>		<b>461.70</b>	284.39
<b>PROFIT FROM DISCONTINUING OPERATIONS BEFORE TAX</b>		<b>397.12</b>	332.89
Tax expense of discontinuing operations		<b>127.68</b>	96.19
<b>PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX</b>		<b>269.44</b>	236.70
<b>PROFIT FOR THE YEAR</b>		<b>731.14</b>	521.09
Earnings per share (basic and diluted) (₹)	46	<b>11.67</b>	8.23
(Face value of equity share of ₹ 2 each)			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The accompanying notes form an integral part of financial statements

As per our report attached

**SHARP & TANNAN**

**CHARTERED ACCOUNTANTS**

Firm's Registration No. 109982W

by the hand of

**Milind P. Phadke**

**PARTNER**

Membership No. 033013

Mumbai, 28th May, 2015

**Madhav Acharya**

**CHIEF FINANCIAL OFFICER**

**Laurent Demortier**

**CEO & MANAGING DIRECTOR**

**Minal Bhosale**

**COMPANY SECRETARY**

**Gautam Thapar**

**CHAIRMAN**

Mumbai, 28th May, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	2014-15	2013-14
<b>[A] CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxes</b>	<b>899.49</b>	712.45
Adjustments for:		
Depreciation and amortisation expense	96.39	89.35
Allowance for doubtful debts and advances	25.09	22.63
Interest expenses	49.37	39.76
Interest income	(73.62)	(61.78)
Income from investments (net)	(0.16)	(0.25)
Profit on sale of investments (net)	(4.54)	(10.86)
Unrealised exchange (gain) / loss (net)	101.78	(53.58)
(Profit) / Loss on sale of fixed assets (net)	(324.63)	(17.50)
	<b>(130.32)</b>	7.77
<b>Operating profit before working capital changes</b>	<b>769.17</b>	720.22
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(1080.07)	(309.60)
(Increase) / Decrease in inventories	34.02	(9.28)
Increase / (Decrease) in trade and other payables	(175.82)	(10.09)
Increase / (Decrease) in provisions	(6.24)	15.41
	<b>(1228.11)</b>	(313.56)
Cash (used in) / from operations	<b>(458.94)</b>	406.66
Direct taxes paid (net of refunds)	<b>(218.31)</b>	(189.60)
<b>Net cash (used in) / from operating activities</b>	<b>[A] (677.25)</b>	217.06
<b>[B] CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Add: Inflows from investing activities</b>		
Sale of fixed assets	341.98	20.87
Sale of investments (net)	-	490.71
Interest received	73.54	61.80
Income received from investments	0.16	0.25
	<b>415.68</b>	573.63
<b>Less: Outflows from investing activities</b>		
Purchase of fixed assets	(78.48)	(125.50)
Purchase of investments	(135.44)	-
Amalgamation of subsidiaries	(3.47)	-
Fixed assets on acquisition of business / amalgamation	(6.00)	(14.79)
Investment in subsidiaries	(209.18)	(251.15)
	<b>(432.57)</b>	(391.44)
<b>Net Cash (used in) / from investing activities</b>	<b>[B] (16.89)</b>	182.19

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	2014-15	2013-14
<b>[C] CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Add: Inflows from financing activities</b>		
Proceeds from long-term borrowings	697.34	17.06
	<b>697.34</b>	<b>17.06</b>
<b>Less: Outflows from financing activities</b>		
Buyback of shares	-	(133.54)
Repayment of long-term borrowings	(0.35)	(0.24)
Repayments of short-term borrowings (net)	(9.43)	-
Dividend paid	(75.17)	(75.86)
Additional tax on dividend	(14.27)	(12.90)
Interest paid	(44.34)	(39.76)
	<b>(143.56)</b>	<b>(262.30)</b>
<b>Cash (used in) / from financing activities</b>	<b>[C] 553.78</b>	<b>(245.24)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES (A+B+C)</b>	<b>(140.36)</b>	<b>154.01</b>
<b>Cash and bank balances at beginning of the year*</b>	<b>442.80</b>	<b>288.79</b>
<b>Cash and bank balances at end of the year*</b>	<b>302.44</b>	<b>442.80</b>

\* Refer note 18, *infra***Notes:**

- The cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow Statements, as specified in the Companies (Accounting Standards) Rules, 2006.
- Additions to fixed assets include movements of capital work-in-progress during the year.
- Cash and cash equivalents at the end of the year represent cash and bank balances and include unrealised gain of ₹ 4.69 crore (Previous year loss of ₹ 0.46 crore) on account of translation of foreign currency bank balances.
- Figures for the previous year have been regrouped wherever necessary.

As per our report attached

**SHARP & TANNAN****CHARTERED ACCOUNTANTS**

Firm's Registration No. 109982W

by the hand of

**Madhav Acharya****CHIEF FINANCIAL OFFICER****Laurent Demortier****CEO & MANAGING DIRECTOR****Milind P. Phadke****PARTNER**

Membership No. 033013

Mumbai, 28th May, 2015

**Minal Bhosale****COMPANY SECRETARY**

Mumbai, 28th May, 2015

**Gautam Thapar****CHAIRMAN**

## 1. SIGNIFICANT ACCOUNTING POLICIES

**1. Basis of preparation and presentation of financial statements:**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention (except for the revaluation of certain fixed assets acquired before 30th June, 1985) on accrual basis. The financial statements of the Company have been prepared to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory bodies viz. SEBI guidelines override the same requiring a different treatment. Certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2. Use of estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities and assets. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include, the useful life of tangible and intangible fixed assets, allowances for doubtful debts/advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case, the difference is recognised in the period in which the results are known.

**3. Fixed Assets:**

- (a) Fixed assets are stated at original cost, net of tax / duty credit availed, if any, except for land and building acquired prior to 30th June, 1985 which are stated at revalued cost as at that date based on the report of technical expert, less accumulated depreciation and amortisation. Subsequent upgradations / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.
- (b) Administrative and other general overheads that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.
- (c) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of project cost and capitalised.
- (d) Internally manufactured fixed assets are capitalised at factory cost, including excise duty, where applicable.
- (e) Capital work-in-progress includes cost of fixed assets under installation / under development as at the balance sheet date.
- (f) Capital expenditure on tangible assets for research and development is classified under fixed assets and is depreciated on the same basis as other fixed assets.
- (g) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of assets and gains or losses arising from disposal of fixed assets are recognised in the statement of profit and loss in the year of occurrence.

**4. Impairment of assets:**

As at each balance sheet date, the carrying amounts of assets including goodwill arising on acquisition are tested for impairment so as to determine:

- (a) the provision for impairment loss, if any; and
- (b) the reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- (a) In the case of an individual asset, at the higher of the net selling price and the value in use; and
- (b) In the case of cash a generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

**5. Intangible assets and amortisation:**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are amortised as follows:

**(a) Intangible assets:**

- (1) Specialised software : Over a period of five years;
- (2) Technical know-how : Over a period of five years (from the date of its availability for use);
- (3) Commercial rights : Over the period of ten years and

**(b) Research and development cost:**

(1) Research cost:

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

(2) Development cost:

Development expenditure on new product is capitalised as intangible asset, if all of the following can be demonstrated.

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) the Company has intention to complete the development of intangible asset and use or sell it;
- (iii) the Company has ability to use or sell the intangible asset;
- (iv) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

**6. Investments:**

**Long-term investments:**

Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline in the permanent nature in the value of investments.

**Current investments:**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments and are carried at cost or fair value, whichever is lower. The comparison of cost and carrying amount is done separately for each category of investments based on the market value of the investments.

**7. Inventories:**

- (a) Raw materials, packing materials, construction materials, stores and spares : At lower of cost, on weighted average basis and net realisable value.
- (b) Work -in-progress – Manufacturing : At lower of cost of materials, plus appropriate production overheads and net realisable value.
- (c) Finished goods – Manufacturing : At lower of cost of materials plus appropriate production overheads, including excise duty paid / payable on such goods and net realisable value.
- (d) Finished goods – Trading : At lower of cost, on weighted average basis and net realisable value.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving materials, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

**8. Cash and cash equivalents:**

- (a) Cash comprises cash on hand and demand deposits with banks.
- (b) Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

**9. Foreign currency transaction and foreign operations:**

- (a) The reporting currency is Indian Rupee.
- (b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are recorded using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (c) Financial statements of foreign operations are treated as integral operations and translated as in the same manner as foreign currency transactions, as described above. Exchange differences arising on such conversions are recognised in the statement of profit or loss in the period in which they arise.

**10. Derivative contracts:**

- (a) Derivative contracts entered into, to hedge foreign currency / price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the statement of profit and loss or balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the statement of profit and loss.
- (b) The premium or discount on forward contracts is amortised as expense or income over the period of the contract.
- (c) Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the statement of profit and loss in the same period in which the hedged item is accounted.

**11. Long term Loans:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the income statement.

**12. Revenue recognition:****(a) Sale of goods:**

Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of the goods. It also includes excise duty and price variations based on the contractual agreements and excludes value added tax / sales tax.

**(b) Sale of services:**

Service income is recognised as per the terms of the contracts with the customers on proportionate completion method.

**(c) Revenue from contracts:**

Revenue from contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated cost to complete. Foreseeable loss, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost till such time the outcome of the contract cannot be ascertained reliably and at releasable value thereafter. Claims are accounted as income acceptance by customer.

**(d) Revenue from power distribution business:**

Revenue from power distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued upto the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission. Interest is accounted on accrual basis on overdue bills.

**(e) Interest income:**

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.

**(f) Dividend income:**

Dividend income is accounted for when the right to receive the dividend is established.

**(g) Lease income:**

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight-line basis as per the terms of the agreements in the statement of Profit or loss.



## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

**13. Employee benefits:****(a) Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

**(b) Post-employment benefits:***Defined contribution plans*

Company's contributions paid / payable during the year to officer's superannuation fund, employee state insurance scheme and labour welfare fund are recognised during the period.

*Defined benefit plans*

For defined benefit schemes in the form of gratuity fund, provident fund and post retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discounting rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations.

The Company makes contribution towards provident fund in substance a defined contribution retirement plan. The provident fund is administered by the trustees. The Rules of the Company's Provident Fund administered by a trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees' Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Company making interest shortfall as a defined benefit plan. Having regard to the assets of the Fund and return on investments, the Company does not expect any deficiency in the foreseeable future and hence, liability is restricted towards the monthly contributions only.

Actuarial gains / losses are recognised in full in the statement of profit and loss, for the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligations recognised in the balance sheet represents that present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of the scheme of assets.

**(c) Long-term employee benefits:**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

**(d) Termination benefits:**

Termination benefits are recognised as an expense in the period in which they are incurred.

**14. Depreciation:****(a) Owned assets:**

Depreciation on fixed assets is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. In case of fixed assets which are added / disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

In case of following category of fixed assets, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the one specified in Schedule II to the Companies Act, 2013.

- (i) Plant and machinery – Maximum 21 years
- (ii) Furniture and fixtures – Maximum 15 years
- (iii) Vehicle – Maximum 8 years.

**(b) Leased assets:**

- (1) Leasehold lands are amortised over the period of lease.
- (2) Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period is beyond the life of the building.
- (3) In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

**15. Borrowing costs:**

- (a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognised as expense in the period in which they are incurred.

**16. Segment accounting:****(a) Segment accounting policies:**

Segment accounting policies are in line with the accounting policies of the Company. The company identifies primary business segment based on the different risks and returns, the organisation structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. In addition, the following specific accounting policies have been followed for segment reporting:

- (1) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- (2) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- (3) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- (4) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.
- (5) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

**(b) Inter-segment transfer pricing:**

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

**17. Earnings per share:**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**18. Taxes on income:**

- (a) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.
- (b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.
- (c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**19. Provisions, Contingent liabilities, Contingent assets and Commitments:**

- (a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:
  - (1) the Company has a present obligation as a result of a past event;
  - (2) a probable outflow of resources is expected to settle the obligation; and
  - (3) the amount of the obligation can be reliably estimated.
- (b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if the obligation is settled.
- (c) Contingent liability is disclosed in the case of:
  - (1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
  - (2) a present obligation arising from past events, when no reliable estimate is possible;
  - (3) a possible obligation arising from past events, unless the probability of outflow of resources is remote.
- (d) Contingent assets are neither recognised nor disclosed.
- (e) Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- (f) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**20. Extraordinary and exceptional items:**

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are classified as extraordinary items. Specific disclosures of such events / transactions are made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such. Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b> {Refer note (a) below}: 2,03,80,00,000 Equity Shares of ₹ 2 each (Previous year 1,80,50,00,000 Equity Shares of ₹ 2 each)	<b>407.60</b>	361.00
<b>Issued</b> {Refer note (a) below}: 62,67,88,442 Equity Shares of ₹ 2 each (Previous year 62,67,88,442 Equity Shares of ₹ 2 each)	<b>125.35</b>	125.35
<b>Subscribed and paid-up</b> {Refer note (a) below}: 62,67,46,142 Equity Shares of ₹ 2 each (Previous year 62,67,46,142 Equity Shares of ₹ 2 each)	<b>125.35</b>	125.35
<b>Forfeited shares:</b> Amount paid-up on 42,300 Equity Shares of ₹ 2 each (Amount paid-up ₹ 32,175)	<b>0.00</b>	0.00
	<b>125.35</b>	125.35

**Notes:****(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:**

Authorised share capital	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	1805000000	361.00	1805000000	361.00
Amalgamation of wholly-owned subsidiaries with the Company (Refer note below)	233000000	46.60	-	-
Balance at the end of the year	2038000000	407.60	1805000000	361.00

During the year, the Company's authorised share capital has increased from ₹ 361.00 crore to ₹ 407.60 crore comprising of 2,03,80,00,000 number of equity shares of ₹ 2 each on amalgamation of CG Energy Management Limited and CG-ZIV Power Automation Solutions Limited, wholly-owned subsidiaries, with the Company on 1st April, 2014.

Issued share capital	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	626788442	125.35	641533836	128.30
Less: Shares bought back	-	-	14745394	2.95
Balance at the end of the year	626788442	125.35	626788442	125.35

Subscribed and paid-up	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	626746142	125.35	641491536	128.30
Less: Shares bought back	-	-	14745394	2.95
Balance at the end of the year	626746142	125.35	626746142	125.35

The Company has not issued any equity shares during the current and in the previous year.

**(b) Terms / rights attached to equity shares:**

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

During the year, the Company has declared and paid interim dividend of ₹ 0.80 per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**
**(c) Details of shareholders holding more than 5 % shares in the Company:**

	As at 31-03-2015		As at 31-03-2014	
	%	No. of Shares	%	No. of Shares
1 Avantha Holdings Limited	34.37	215442496	40.84	255937034
2 HDFC Trustee Company Limited - HDFC Equity Fund	-	-	9.30	58269500
3 HDFC Trustee Company Limited (HDFC Rajiv Gandhi Equity Savings Scheme Series - 1 Feb, 2013)	9.22	57809500	-	-
4 Life Insurance Corporation of India	4.80	30071908	5.24	32842674

**(d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.**
**(e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:**

	As at	As at
	31-03-2015	31-03-2014
	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares issued as fully paid-up bonus shares	-	274924944

**(f) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:**

	As at	As at
	31-03-2015	31-03-2014
	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares bought back	14745394	14745394

**(g) Aggregate number of shares issued as GDRs**

	As at 31-03-2015		As at 31-03-2014	
	%	No. of Shares	%	No. of Shares
The Bank of New York	0.16	973844	0.22	1383534

## NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2015	As at 31-03-2014
<b>3. RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>	<b>19.12</b>	19.12
<b>Capital reserve on amalgamation:</b>		
As per last balance sheet	-	-
Add : Transferred on amalgamation of subsidiaries (Refer note (a) below)	<b>0.84</b>	-
	<b>0.84</b>	-
<b>Capital redemption reserve:</b>		
As per last balance sheet	<b>12.95</b>	10.00
Add: On account of Buy-back	-	2.95
	<b>12.95</b>	12.95
<b>Securities premium account</b>		
As per last balance sheet	<b>18.30</b>	151.84
Less: Utilised for Buy-back	-	(133.54)
	<b>18.30</b>	18.30
<b>Revaluation reserve:</b>		
As per last balance sheet	<b>13.62</b>	13.82
Less: Transferred to Statement of profit and loss (Refer note (b) below)	<b>(2.84)</b>	(0.20)
	<b>10.78</b>	13.62
<b>General reserve:</b>		
As per last balance sheet	<b>415.89</b>	363.39
Add: Transferred from Statement of profit and loss	-	52.50
	<b>415.89</b>	415.89
<b>Balance in Statement of profit and loss</b>		
As per last balance sheet	<b>2750.84</b>	2370.38
Add: Transferred on amalgamation of subsidiaries (Refer note (a) below)	<b>(13.39)</b>	-
Add: Profit for the year	<b>731.14</b>	521.09
Less: Transitional provision for depreciation charge (Refer note (c) below)	<b>2.05</b>	-
<b>Profit available for appropriation</b>	<b>3466.54</b>	2891.47
Transfer to General reserve	-	52.50
<b>Profit available for distribution:</b>	<b>3466.54</b>	2838.97
1st Interim dividend	<b>25.07</b>	25.19
2nd Interim dividend	<b>25.07</b>	25.07
Proposed dividend	-	25.07
Additional tax on dividend	<b>10.00</b>	12.80
	<b>3406.40</b>	2750.84
	<b>3884.28</b>	3230.72

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****3. RESERVES AND SURPLUS (Contd.)****Notes:****(a) Disclosures as required by Accounting Standard (AS) 14 Accounting for Amalgamations:****Scheme of Amalgamation of CG Energy Management Limited and CG-ZIV Power Automation Solutions Limited with the Company**

- (1) In accordance with the Scheme of Amalgamation (the 'Scheme') of the CG Energy Management Limited (the 'CGEML') and CG-ZIV Power Automation Solutions Limited (the 'CG-ZIV') both wholly-owned subsidiary companies with the Company, as sanctioned by the Honourable High Court of Judicature at Bombay, vide their Order dated 13th February, 2015, the undertaking of CGEML and CG-ZIV, being all its assets and properties, both movable and immovable, industrial and other licenses, all rights and obligations under the contracts, trademarks, all other interests, rights and powers of every kind, etc., and all its debts, liabilities including contingent liabilities, duties and obligations, has been transferred to and vested in the Company retrospectively with effect from 1st April, 2014 (the 'Appointed Date'). The Scheme has, accordingly, been given effect to in the financial statements. The effective date of amalgamation is 25th March, 2015.
- (2) CGEML is presently not carrying on any business as such, but holds investments, *inter-alia*, in other companies and its other activities are incidental thereto.  
CG-ZIV is presently engaged in manufacturing of Substation Automation Systems for Substations in EHV and UHV range, including protective relays, differential relays, bay control units, bus-bar systems, substations units, etc.
- (3) The amalgamation has been accounted for under the 'pooling of interest method' as prescribed by Accounting Standard (AS) 14 Accounting for Amalgamations, specified by the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets, liabilities and reserves of CGEML and CG-ZIV as at 31st March, 2014 have been taken over at their book values. (As stipulated in the said Scheme, the reserves of the transferor companies have been transferred to the respective reserves).
- (4) CGEML and CG-ZIV, being a wholly-owned subsidiaries of the Company, the entire paid-up share capital has been cancelled and the companies stands dissolved without winding-up.
- (5) The amalgamation has resulted into increase in the authorised share capital of the Company by ₹ 46.60 crore comprising 23,30,00,000 equity shares of ₹ 2 each.

Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves as on 1st April, 2014 in accordance with the terms of the Scheme as under:

Particulars	₹ crore
Investments	11.02
Non current assets	10.99
Current assets	16.12
<b>Total assets</b>	<b>38.13</b>
Less: Long term liabilities	12.67
Less: Current liabilities and provisions	27.25
Less: Transfer to Statement of profit and loss	(13.39)
Net assets transferred	11.60
Consideration for amalgamation	10.76
<b>Balance transferred to Capital reserve on amalgamation</b>	<b>0.84</b>

- (b) Revaluation reserve written-back ₹ 2.84 crore on assets disposed-off and included under profit on sale of fixed assets.
- (c) Pursuant to enactment of the Companies Act, 2013 and its applicability for accounting periods commencing from 1st April, 2014, the Company has revised its policy of providing depreciation on fixed assets as per Schedule II to the said Act. Depreciation is now provided over the remaining useful life of fixed assets for all assets as against policy of providing on written down value basis for some assets and straight line basis for others. Consequently, depreciation for the year ended 31st March, 2015 is higher ₹ 4.88 crore, respectively and profit before tax is lower by like amounts. Further, an amount of ₹ 2.05 crore (net of deferred tax of ₹ 1.06 crore) representing the carrying amount of the assets with revised useful life as Nil, has been charged to opening reserves as on 1st April, 2014.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>4. LONG-TERM BORROWINGS</b>		
<b>Secured loans</b>		
<b>Term loans</b>		
From banks {Refer note (a) below}	633.72	-
<b>Unsecured loans</b>		
Interest-free sales tax deferral loans from State Government {Refer note (b) below}	0.54	0.54
	<b>634.26</b>	<b>0.54</b>

**Notes:**

- (a) The long-term loan of ₹ 633.72 crore (Previous year ₹ Nil) is secured by way of first charge on the Consumer Division's fixed assets and brand of the Company. This loan is repayable in 22 equal half yearly installments from the date of first drawdown.
- (b) The Company has opted for the deferral Scheme of sales tax, which is payable as per the Scheme framed by State Government.

	As at 31-03-2015		As at 31-03-2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
<b>5. DEFERRED TAX</b>				
Difference between book and tax depreciation	-	114.45	-	113.90
Expenses allowable for tax purposes when paid / on payment of TDS	23.57	-	16.56	-
Other items giving rise to timing differences	45.02	22.15	35.31	11.56
	<b>68.59</b>	<b>136.60</b>	51.87	125.46
Net deferred tax liability		<b>68.01</b>		73.59
Deferred tax liability / (asset) charged to Statement of profit and loss	4.70			23.76
On Amalgamation of a subsidiary	(0.18)			-
On Transitional provision for depreciation charge (Refer note 3(c), <i>supra</i> )	1.06			-
Deferred tax liability / asset	<b>5.58</b>			<b>23.76</b>

	As at 31-03-2015	As at 31-03-2014
<b>6. OTHER LONG-TERM LIABILITIES</b>		
<b>Other payables:</b>		
Deposits	2.81	9.35
	<b>2.81</b>	<b>9.35</b>

	As at 31-03-2015	As at 31-03-2014
<b>7. LONG-TERM PROVISIONS</b>		
Employee benefits (Refer note 39, <i>infra</i> )	48.22	41.91
	<b>48.22</b>	<b>41.91</b>

	As at 31-03-2015	As at 31-03-2014
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Secured loans</b>		
<b>Working capital demand loan</b>		
From bank (Refer note below)	21.50	29.99
	<b>21.50</b>	<b>29.99</b>

**Note:**

Working capital demand loan from bank is secured by hypothecation of inventories, book debts and trade receivables, both present and future.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>9. TRADE PAYABLES</b>		
Acceptances	<b>232.38</b>	209.83
Due to micro and small enterprises (Refer note below)	<b>51.79</b>	54.55
Due to other than micro and small enterprises	<b>1061.86</b>	1179.59
Due to subsidiaries	<b>57.30</b>	83.95
Due to associates	<b>28.27</b>	35.15
	<b>1431.60</b>	1563.07

**Note:**

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2015. The disclosure pursuant to the said Act is as under:

	2014-15	2013-14
(a) Principal amount due to suppliers under MSMED Act, 2006	<b>51.79</b>	54.55
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	<b>0.19</b>	0.19
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	<b>130.80</b>	150.04
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	<b>0.00</b>	0.00
(e) Interest paid to suppliers under MSMED Act (Section 16)	<b>0.09</b>	0.10
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	<b>0.14</b>	0.14
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	<b>0.05</b>	0.05

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.



**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>10. OTHER CURRENT LIABILITIES</b>		
<b>Current maturities:</b>		
<b>Long-term borrowings:</b>		
From Bank (Refer note 4(a), <i>supra</i> )	63.62	-
Interest-free sales tax deferral loans from State Government	-	0.35
Interest accrued but not due on borrowings	5.03	-
Advances from customers	185.15	249.38
<b>Investor Education and Protection Fund:</b> (Refer note below)		
Unclaimed dividend	1.95	1.91
Due to directors	9.57	12.85
Due to customers (construction and project related activity)	29.47	19.92
<b>Due to related parties:</b>		
Due to subsidiaries	5.57	3.47
<b>Other payables:</b>		
Security deposits	6.16	2.01
Statutory dues	33.22	31.68
Employee dues	10.42	10.30
Others	58.22	50.07
	<u>108.02</u>	<u>94.06</u>
	<u>408.38</u>	<u>381.94</u>

**Note:**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2015.

	As at 31-03-2015	As at 31-03-2014
<b>11. SHORT-TERM PROVISIONS</b>		
Proposed dividend	-	25.07
Additional tax on dividend	-	4.26
Employee benefits (Refer note 39, <i>infra</i> )	4.81	4.75
Others provisions (Refer note below)	83.59	96.22
	<u>88.40</u>	<u>130.30</u>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****Note:****Disclosures as required by Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets:****(1) Movement in provisions:**

Nature of provisions	Warranties		Sales tax / VAT		Excise duty / Customs duty / Service tax	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Carrying amount at the beginning of the year	51.13	49.35	22.59	19.10	11.32	8.76
Additional provision made during the year #	20.62	20.07	-	3.94	-	2.89
Addition due to amalgamation of subsidiary	0.54	-	-	-	-	-
Amounts used during the year	13.00	7.39	-	-	-	-
Unused amounts reversed during the year #	4.58	10.90	11.52	0.45	6.79	0.33
Carrying amount at the end of the year	54.71	51.13	11.07	22.59	4.53	11.32

Nature of provisions	Liquidated damages		Other litigation claims		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Carrying amount at the beginning of the year	6.62	4.62	4.56	4.37	96.22	86.20
Additional provision made during the year #	-	2.00	4.74	0.19	25.36	29.09
Addition due to amalgamation of subsidiary	-	-	-	-	0.54	-
Amounts used during the year	-	-	-	-	13.00	7.39
Unused amounts reversed during the year #	0.50	-	2.14	-	25.53	11.68
Carrying amount at the end of the year	6.12	6.62	7.16	4.56	83.59	96.22

# Additional provision made during the year and reversal of unused amount are included in the respective head of accounts.

**(2) Nature of provisions:**

- Product warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is expected to be within a period of two years.
- Provision for sales tax / VAT represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Act / Rules.
- Provision for excise duty / customs duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.
- Provision for liquidated damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.
- Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	Gross block (Cost / Valuation)				Depreciation /Amortisation				Net block			
	As at 01-04-2014	Transferred on amalgamation / acquisition	Additions	Deductions	As at 31-03-2015	Upto 31-03-2014	Transferred on amalgamation	For the year	Deductions	Up to 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>12. FIXED ASSETS</b>												
<b>(i) Tangible assets</b>												
<b>Owned assets:</b>												
Freehold land	16.70	-	-	2.63	14.07	-	-	-	-	-	14.07	16.70
Leasehold land	17.40	-	-	0.78	16.62	3.15	-	0.15	-	3.30	13.32	14.25
Buildings	333.96	-	4.52	13.16	325.32	100.26	-	10.15	2.45	107.96	217.36	233.70
Plant and equipments	938.17	2.16	52.54	27.39	965.48	574.32	0.18	49.74	24.95	599.29	366.19	363.85
Furniture and fixtures	63.64	3.62	4.11	2.63	68.74	40.32	0.31	4.95	2.40	43.18	25.56	23.32
Office equipments	51.72	0.70	4.71	2.25	54.88	39.55	0.08	5.31	2.11	42.83	12.05	12.17
Vehicles	14.28	-	2.32	2.64	13.96	7.61	-	1.29	1.73	7.17	6.79	6.67
<b>Owned assets leased out:</b>												
Buildings	4.86	-	-	-	4.86	1.31	-	0.08	-	1.39	3.47	3.55
<b>Sub-total (i)</b>	<b>1440.73</b>	<b>6.48</b>	<b>68.20</b>	<b>51.48</b>	<b>1463.93</b>	<b>766.52</b>	<b>0.57</b>	<b>71.67</b>	<b>33.64</b>	<b>805.12</b>	<b>658.81</b>	<b>674.21</b>
<b>(ii) Intangible Assets</b>												
Computer software	38.34	0.11	11.06	-	49.51	20.72	0.02	6.05	-	26.79	22.72	17.62
Technical know-how	23.59	-	5.00	-	28.59	15.47	-	4.44	-	19.91	8.68	8.12
Commercial rights	43.52	-	-	-	43.52	23.28	-	6.35	-	29.63	13.89	20.24
Research and development	48.23	-	6.91	1.84	53.30	13.52	-	10.99	0.55	23.96	29.34	34.71
<b>Sub-total (ii)</b>	<b>153.68</b>	<b>0.11</b>	<b>22.97</b>	<b>1.84</b>	<b>174.92</b>	<b>72.99</b>	<b>0.02</b>	<b>27.83</b>	<b>0.55</b>	<b>100.29</b>	<b>74.63</b>	<b>80.69</b>
<b>Total (i+ii)</b>	<b>1594.41</b>	<b>6.59</b>	<b>91.17</b>	<b>53.32</b>	<b>1638.85</b>	<b>839.51</b>	<b>0.59</b>	<b>99.50</b>	<b>34.19</b>	<b>905.41</b>		
Previous year	1445.14	14.79	172.54	38.06	1594.41	784.65	-	89.55	34.69	839.51		

**Notes:**

- (a) Cost / Valuation of Buildings includes ownership accommodation:  
(i) in various co-operative societies and apartments: ₹ 2.58 crore; (Previous year ₹ 2.58 crore), including 5 shares of ₹ 100 each and 25 shares of ₹ 50 each.  
(ii) in co-operative society ₹ 3.32 crore; (Previous year ₹ 3.32 crore) pending for allotment of shares.
- (b) Cost of Land include ₹ 11.56 crore; (Previous year ₹ 14.52 crore) and Buildings include ₹ 8.41 crore; (Previous year ₹ 8.41 crore) added on revaluation on 30th June, 1985.
- (c) Additions during the year include ₹ 4.59 crore; (Previous year ₹ 16.52 crore) relating to research and development.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>13. NON-CURRENT INVESTMENTS</b>		
<b>Quoted investments</b>		
Investment in Government or trust securities	0.44	0.44
	<b>0.44</b>	<b>0.44</b>
<b>Unquoted investments</b>		
<b>Investments in equity instruments</b>		
Subsidiary companies	768.82	559.64
Associate companies	0.60	227.60
Others	235.01	8.01
<b>Investment in debentures</b>		
Subsidiary companies	-	9.92
Others	0.05	0.05
<b>Others</b>	<b>0.12</b>	<b>0.05</b>
	<b>1004.60</b>	<b>805.27</b>
	<b>1005.04</b>	<b>805.71</b>
<b>Notes:</b>		
<b>Quoted investments</b>		
Book value	0.44	0.44
Market value	0.44	0.44
<b>Unquoted investments</b>		
Book value	<b>1004.60</b>	<b>805.27</b>

**Note:** Refer accounting policy Note 1 (6) on valuation of investments, *supra*.

## NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	Face value per unit in ₹ unless otherwise specified	No. of shares / units	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
		As at 31-03-2015			
<b>13. NON-CURRENT INVESTMENTS (Contd.)</b>					
<b>Details of investments:</b>					
<b>A) Quoted investments</b>					
<b>Government and trust securities</b>					
1	Central Government Securities 10.18% GOI 2026 of ₹ 100 each	100	39000	0.44	0.44
<b>Total (A)</b>				<b>0.44</b>	<b>0.44</b>
<b>B) Unquoted investments</b>					
<b>Investments in equity instruments</b>					
<b>Investment in subsidiary companies</b>					
<b>Fully paid equity shares</b>					
1	CG Energy Management Limited (Amalgamated with the Company) (Refer note 3 (a))	10	1600000	-	0.74
2	CG International B.V. (300000 shares acquired during the year)	EUR 100	730000	545.86	352.48
3	Crompton Greaves Holdings Mauritius Limited	USD 1	42134142	206.65	194.34
4	CG-ZIV Power Automation Solutions Limited (Amalgamated with the Company) (Refer note 3 (a))	10	10000000	-	10.02
5	CG-PPI Adhesive Products Limited (1170000 shares added on amalgamation of subsidiary)	10	3175520	13.03	2.01
6	CG Power Solutions Limited	10	50000	0.05	0.05
7	Crompton Greaves Consumer Products Limited (250000 shares of ₹ 2 each fully paid up and 156436537 shares of ₹ 2 each partly paid up ₹ 0.20 each) (Subscribed during the year)	2	15893654	3.18	-
8	Crompton Greaves Consumer Electricals Limited (Subscribed during the year)	2	250000	0.05	-
				<b>768.82</b>	<b>559.64</b>
<b>Investment in associate companies</b>					
<b>Fully paid equity shares</b>					
1	CG Lucy Switchgear Limited	10	599993	0.60	0.60
2	Power Equipment Limited (Carried at nominal value of ₹ 10)	USD 10	20600	0.00	0.00
3	Avantha Power & Infrastructure Limited (Ceased to be associate company during the year)	10	213300228	-	227.00
				<b>0.60</b>	<b>227.60</b>
<b>Others</b>					
1	Avantha Holdings Limited (Optionally Convertible, Zero Coupon, Non-marketable, transferable Debentures)	100	800000	8.00	8.00
2	Avantha Power & Infrastructure Limited	10	213300228	227.00	-
3	Dinette Exclusive Club Private Limited	100	500	0.01	0.01
4	Radiant Electronics Limited (Carried at nominal value of ₹ 10)	100	190000	0.00	0.00
				<b>235.01</b>	<b>8.01</b>
<b>Investments in debentures</b>					
<b>Investments in subsidiary company</b>					
	CG Energy Management Limited (0% Unsecured Irredeemable Non-convertible Debentures of ₹ 10 each) (Amalgamated with the Company) (Refer note 3 (a))	10	9918000	-	9.92
<b>Others</b>					
	Dinette Exclusive Club Private Limited (0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)	100	5000	0.05	0.05
				<b>0.05</b>	<b>9.97</b>
<b>Other investments</b>					
	UTI - Balanced Fund - Dividend Plan - Payout	10	55909	0.12	0.05
				<b>0.12</b>	<b>0.05</b>
<b>Total (B)</b>				<b>1004.60</b>	<b>805.27</b>
<b>Total (A+B)</b>				<b>1005.04</b>	<b>805.71</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>14. LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Capital advances	8.03	29.88
Deposits	15.11	12.79
	<b>23.14</b>	<b>42.67</b>

	As at 31-03-2015	As at 31-03-2014
<b>15. CURRENT INVESTMENTS</b>		
<b>Quoted investments</b>		
Investments in equity instruments	0.77	0.77
Investments in mutual funds	159.68	19.86
	<b>160.45</b>	<b>20.63</b>

**Notes:****Quoted investments**

Book value	160.45	20.63
Market value	160.62	20.72

Refer accounting policy note 1 (6) on valuation of investments, *supra*.

	Face value per unit in ₹ unless otherwise specified	No. of shares / units	As at 31-03-2015	As at 31-03-2014
		As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>Details of investments:</b>				
<b>Investments in equity instruments</b>				
1 Nicco Corporation Limited {Diminution in value provided during the year ₹ 0.00 crore; (Previous year ₹ Nil)}	2	330390	0.02	0.02
2 IDBI Bank Limited	10	127720	0.74	0.74
3 JCT Electronics Limited {Diminution in value provided during the year ₹ Nil; (Previous year ₹ 0.00 crore)}	1	250000	0.01	0.01
			<b>0.77</b>	<b>0.77</b>
<b>Investments in mutual funds</b>				
Canara Robeco Treasury Advantage Fund - Regular Daily Dividend	10	16197471	-	19.86
JM High Liquidity Fund-Daily Dividend Option	10	4878729	5.09	-
Peerless Liquid Fund - Super Institutional Daily Dividend -Reinvestment	1000	299870	30.03	-
Reliance Liquid Fund- Cash Plan -Daily Dividend Option - CPDD	1000	398738	44.42	-
Principal Debt Opportunities Fund Conservative Plan-Regular Plan Dividend Daily - Reinvestment	1000	180021	18.03	-
Sundaram Ultra Short - Term Fund Regular Daily Dr	10	25945919	26.04	-
ICICI Prudential Money Market Fund -Regular Plan- Daily Dividend	100	1105155	11.07	-
Canara Robeco Dynamic Bond Fund-Regular Dividend Reinvestment	10	18714396	25.00	-
			<b>159.68</b>	<b>19.86</b>
			<b>160.45</b>	<b>20.63</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>16. INVENTORIES</b>		
Raw materials	181.03	165.54
Add: Goods-in-transit	30.19	54.12
	211.22	219.66
Work-in-progress - manufacturing	164.00	205.25
Finished goods - manufacturing	64.20	59.47
Add: Excise duty on finished goods	8.61	5.17
	72.81	64.64
Stock-in-trade	70.45	63.07
Stores, spares and packing materials	4.25	4.38
Loose tools	1.04	0.78
	523.77	557.78

Note: Refer accounting policy note 1 (7) on valuation of inventories, *supra*.

<b>DISCLOSURE OF WORK-IN-PROGRESS - MANUFACTURING</b>	As at 31-03-2015	As at 31-03-2014
(i) Transformers, Reactors and Accessories thereof	92.33	120.38
(ii) Switchgears, Control Equipments and Accessories thereof	17.28	14.80
(iii) Traction Electronic, Industrial Drives and SCADA	5.61	7.50
(iv) Electric Motors, Alternators and Drives Panels	29.46	39.74
(v) Power driven Pumps	0.39	0.69
(vi) Electric Steel Stamping and Laminates	4.55	8.12
(vii) Electric Fans, Ventilation and Pollution Control Systems	11.26	10.95
(viii) Electric Lamps	1.29	2.99
(ix) Others	1.83	0.08
	164.00	205.25

	As at 31-03-2015	As at 31-03-2014
<b>17. TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
<b>Debts overdue for six months</b>		
Considered good	361.71	232.61
Considered doubtful	111.32	95.48
	473.03	328.09
Less: Allowance for doubtful debts	111.32	95.48
	361.71	232.61
<b>Other debts</b>		
Considered good	1901.99	1675.31
	2263.70	1907.92

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>18. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents:</b>		
<b>Balances with banks:</b> {Refer note (a) below}		
On current accounts	295.19	437.15
On deposit accounts {with less than 12 months maturity, Refer note (b) below}	3.57	2.57
	298.76	439.72
Cash on hand	0.13	0.13
	298.89	439.85
<b>Other balances:</b>		
<b>Earmarked balances with banks:</b> {Refer note (c) below}		
Unpaid dividends	1.95	1.91
Unpaid matured fixed deposits and interest accrued thereon	-	0.01
	1.95	1.92
<b>Other</b>		
On deposit accounts {with more than 12 months maturity. Refer note (b) below}	1.60	1.03
	3.55	2.95
	302.44	442.80

**Notes:**

- (a) There are no balances with banks held as margin money or security against the borrowings, guarantees and other commitments.  
(b) Deposits of ₹ 3.60 crore (Previous year ₹ 3.60 crore) are under lien with banks.  
(c) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2015.

	As at 31-03-2015	As at 31-03-2014
<b>19. SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
<b>Security deposits:</b>		
Considered good	53.36	36.97
Considered doubtful	0.93	1.20
	54.29	38.17
Less: Allowance for bad and doubtful advances	0.93	1.20
	53.36	36.97
<b>Loans and advances to related parties</b> (Refer note 41)	<b>970.31</b>	666.53
<b>Advances recoverable in cash or in kind or for value to be received:</b>		
Considered good	435.19	112.99
Considered doubtful	2.44	2.77
	437.63	115.76
Less: Allowance for bad and doubtful advances	2.44	2.77
	435.19	112.99
<b>Balances with excise, customs, service tax and value added tax, etc.</b>	<b>75.03</b>	73.60
	1533.89	890.09

- (a) The unsecured short-term loan of ₹ 667.12 crore (Previous year ₹ 379.32 crore) is given to CG International B.V. and its downstream subsidiaries to meet the working capital requirements and repayment of loan.  
(b) The unsecured short-term loan of ₹ 227.05 crore (Previous year ₹ 106.75 crore) is given to CG Power Solutions Limited for meeting its business and working capital needs.  
(c) The unsecured short-term loan of ₹ 7.44 crore (Previous year ₹ 7.44 crore) is given to Malanpur Captive Power Limited for meeting its business and working capital needs.

	As at 31-03-2015	As at 31-03-2014
<b>20. OTHER CURRENT ASSETS</b>		
Interest accrued on investments and deposits	0.13	0.05
Due from customer (constructions and project related activity)	47.23	29.44
Other receivables	64.53	67.04
	111.89	96.53



**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	2014-15	2013-14
<b>21. REVENUE FROM OPERATIONS</b>		
Sale of products	7699.97	7652.00
Sale of services	36.96	41.52
Construction contracts	479.03	300.10
	<b>8215.96</b>	7993.62
Less: Excise duty	378.94	422.92
	<b>7837.02</b>	<b>7570.70</b>

**Note:**

	Sales Value 2014-15	Sales Value 2013-14
<b>DISCLOSURE OF SALE OF PRODUCTS</b>		
(i) Transformers, Reactors and Accessories thereof	1439.77	1815.50
(ii) Switchgears, Control Equipments and Accessories thereof	934.91	878.65
(iii) Traction Electronic, Industrial Drives and SCADA	210.63	190.51
(iv) Electric Motors, Alternators and Drives Panels	1311.21	1307.21
(v) Power driven Pumps	658.51	582.65
(vi) Electric Steel Stamping and Laminates	25.56	44.60
(vii) Electric Fans, Ventilation and Pollution Control Systems	1478.24	1308.74
(viii) Electric Lamps	983.61	914.59
(ix) Appliances	201.01	185.00
(x) Others	972.51	766.17
	<b>8215.96</b>	<b>7993.62</b>

	2014-15	2013-14
<b>22. OTHER INCOME</b>		
Interest income	73.62	61.78
<b>Dividend income:</b>		
Subsidiaries	0.16	0.20
Others	-	0.05
Gain on sale of investments (net)	4.54	10.86
Exchange gain (net)	26.29	-
<b>Other non-operating income (net of expenses):</b>		
Income from lease of premises/ business service centers	16.79	19.38
Miscellaneous income	57.90	40.14
	<b>179.30</b>	<b>132.41</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	2014-15	2013-14
<b>23. COST OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS</b>		
Opening stock	219.66	223.77
Add: On amalgamation of subsidiary	5.16	-
	<b>224.82</b>	223.77
Add: Purchases	3462.00	3476.56
Less: Closing stock	211.22	219.66
	<b>3475.60</b>	<b>3480.67</b>
Less: Scrap sales	72.45	82.46
	<b>3403.15</b>	3398.21
Add: Sub-contracting charges	234.04	219.31
	<b>3637.19</b>	<b>3617.52</b>

**Note:**

	2014-15	2013-14
<b>DISCLOSURE OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS</b>		
(i) Ferrous materials	547.49	595.07
(ii) Non-ferrous materials	756.51	775.24
(iii) Chemicals, Oils and Paints	166.24	176.44
(iv) Wires, Pipes, Tubes and Cables	24.95	25.44
(v) Components	1403.28	1271.47
(vi) Others	577.13	637.01
	<b>3475.60</b>	<b>3480.67</b>

	2014-15	2013-14
<b>24. PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of stock-in-trade	2158.75	1993.21
	<b>2158.75</b>	<b>1993.21</b>

**Note:**

	2014-15	2013-14
<b>DETAILS OF PURCHASES OF STOCK-IN-TRADE</b>		
(i) Power driven Pumps	393.29	355.51
(ii) Electric Fans, Ventilation Control Systems and Pollution Control Systems	506.13	461.70
(iii) Electric Lamps	490.13	497.96
(iv) Appliances	149.98	138.31
(v) Others	619.22	539.73
	<b>2158.75</b>	<b>1993.21</b>

## NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	2014-15	2013-14	
<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>			
<b>Changes in inventories of finished goods and work-in-progress:</b>			
<b>Closing stock</b>			
Finished goods	72.81	64.64	
Work-in-progress	164.00	205.25	
	<b>236.81</b>	<b>269.89</b>	
<b>Opening stock</b>			
Finished goods	64.64	68.94	
Work-in-progress	205.25	173.40	
Add : On amalgamation of subsidiary	0.39	-	
	<b>205.64</b>	<b>173.40</b>	
	<b>270.28</b>	<b>242.34</b>	
		<b>33.47</b>	(27.55)
<b>Changes in inventories of stock-in-trade:</b>			
<b>Closing stock</b>			
Stock-in-trade	70.45	63.07	
<b>Opening stock</b>			
Stock-in-trade	63.07	77.85	
		<b>(7.38)</b>	14.78
	<b>26.09</b>		<b>(12.77)</b>

	2014-15	2013-14
<b>26. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	452.23	416.13
Contribution to provident and other funds	30.60	21.25
Post retirement medical benefits	8.97	9.66
Staff welfare expenses	31.18	29.32
	<b>522.98</b>	<b>476.36</b>

	2014-15	2013-14
<b>27. FINANCE COSTS</b>		
Interest on loans	49.37	39.76
	<b>49.37</b>	<b>39.76</b>

	2014-15	2013-14
<b>28. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation expense	99.50	89.55
Less: Transitional provision for depreciation charge (Refer note 3 (c) <i>supra</i> )	3.11	-
Less: Recoupment from revaluation reserve	-	0.20
	<b>96.39</b>	<b>89.35</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	2014-15	2013-14
<b>29. OTHER EXPENSES</b>		
Consumption of stores and spares	50.90	46.74
Power and fuel	48.55	49.32
Rent	18.12	12.42
Repairs to buildings	7.95	8.30
Repairs to machinery	32.68	31.53
Insurance	9.10	9.79
Rates and taxes	28.07	42.23
Freight and forwarding	179.62	157.88
Packing materials	96.93	86.95
After sales services including warranties	63.83	47.33
Sales promotion	79.51	76.55
Corporate social responsibility expenses	6.59	-
Miscellaneous expenses (Refer note below)	216.84	310.62
	<b>838.69</b>	<b>879.66</b>

**Note:**

	2014-15	2013-14
<b>MISCELLANEOUS EXPENSES INCLUDES THE FOLLOWING:</b>		
Auditors' remuneration (excluding service tax)		
Audit fees	0.96	0.78
Tax audit fees	0.16	0.14
Company law matters	0.01	0.02
Certification work	0.36	0.35
Other services	0.33	0.16
Expenses reimbursed	0.22	0.32
	<b>2.04</b>	<b>1.77</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>30. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>A Contingent Liabilities:</b> (to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	<b>19.06</b>	9.18
(b) Sales tax / VAT liability that may arise in respect of matters in appeal	<b>33.03</b>	15.97
(c) Excise duty / customs duty / service tax liability that may arise in respect of matters in appeal	<b>8.58</b>	4.50
(d) Income tax liability that may arise in respect of matters in appeal preferred by the department	<b>7.32</b>	4.26
(e) Guarantees / securities given on behalf of subsidiary companies	<b>1358.57</b>	1456.45
(f) Bills discounted	<b>34.72</b>	91.52
<b>B Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>9.05</b>	94.29

**Notes:**

- (a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration / appellate proceedings.
- (b) The guarantees given to subsidiaries by various banks for its working capital requirement and acquisition of step down subsidiaries.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	2014-15	2013-14
<b>31. Expenses capitalised during the year:</b>		
(a) Raw materials consumed	1.49	5.28
(b) Employee benefits	6.96	4.58
(c) Other expenses	0.56	0.10
<b>32. Value of imports (on C.I.F. basis):</b>		
(a) Raw materials	650.60	686.90
(b) Trading goods	136.96	143.78
(c) Spare parts	3.34	6.79
(d) Capital goods	4.14	11.20
<b>33. Expenditure in foreign currency:</b>		
(a) Technical know-how fees	7.10	4.74
(b) Professional charges	1.77	1.39
(c) Interest	2.26	2.04
(d) Commission, travelling and others	47.57	53.80
<b>34. Remittance in foreign currency on account of dividend:</b>		
Final dividend for year ended 31st March, 2014		
(a) Number of non-resident shareholders	243	247
(b) Number of shares held	15902192	19088147
(c) Amount of dividend	0.64	0.76
1st Interim dividend for year ending 31st March, 2015		
(a) Number of non-resident shareholders	243	247
(b) Number of shares held	15391762	19059897
(c) Amount of dividend	0.62	0.76
2nd Interim dividend for year ending 31st March, 2015		
(a) Number of non-resident shareholders	240	246
(b) Number of shares held	4182603	18422387
(c) Amount of dividend	0.17	0.74
<b>35. Earnings in foreign exchange:</b>		
(a) Export of goods (on F.O.B. basis) including deemed exports ₹ 51.86 crore; (Previous year ₹ 73.26 crore)	938.46	902.16
(b) Service income	6.05	8.76
(c) Interest	29.89	29.65
(d) Others	50.17	50.19

## NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	2014-15	2013-14
<b>36. EXPENDITURE ON RESEARCH AND DEVELOPMENT</b>		
<b>(a) Capital expenditure:</b>		
Building	0.70	-
Plant and equipments	2.44	12.75
Furniture and fixtures	1.15	0.50
Vehicles	-	0.27
Intangible assets	0.30	3.00
Capital work-in-progress	0.94	1.25
Intangible assets under development	11.97	16.42
<b>Sub-total (a)</b>	<b>17.50</b>	<b>34.19</b>
<b>(b) Revenue expenditure:</b>		
Raw materials consumed	0.89	0.93
Employee benefits	32.32	29.01
Depreciation and amortisation	9.58	8.21
Other expenses		
Consumption of stores and spares	4.33	2.64
Power and fuel	0.91	0.81
Rent	0.40	0.27
Repairs to buildings	0.25	0.49
Repairs to machinery	2.67	1.91
Insurance	0.03	0.36
Rates and taxes	0.15	0.24
Miscellaneous expenses	7.96	7.39
<b>Sub-total (b)</b>	<b>59.49</b>	<b>52.26</b>
<b>Total (a) + (b)</b>	<b>76.99</b>	<b>86.45</b>

	2014-15		2013-14	
	Percentage of total Consumption	₹ crore	Percentage of total Consumption	₹ crore
<b>37. CONSUMPTION OF RAW MATERIALS, AND COMPONENT CONSUMED AND CONSTRUCTION MATERIALS</b>				
Raw materials and construction materials:				
Imported	16.90	587.44	18.29	636.73
Indigenous	83.10	2888.16	81.71	2843.94
	100.00	3475.60	100.00	3480.67
Spare parts:				
Imported	4.15	2.07	5.79	2.66
Indigenous	95.85	47.79	94.21	43.30
	100.00	49.86	100.00	45.96
Loose tools:				
Indigenous	100.00	1.04	100.00	0.78
	100.00	1.04	100.00	0.78

	2014-15	2013-14
<b>38. DISCLOSURES UNDER ACCOUNTING STANDARD (AS) 7 CONSTRUCTION CONTRACTS</b>		
(a) Contract revenue recognised for the financial year	479.03	300.10
(b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	2373.54	1894.50
(c) Amount of customer advances outstanding for contracts in progress as at reporting date	51.69	59.50
(d) Retention amount due from customer for contract in progress as at the reporting date	158.14	131.44

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****39. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS**(a) Defined contribution plans [Refer accounting policy note 13(b), *supra*]Amount of ₹ 20.12 crore (Previous year ₹ 17.11 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer note 26, *supra*)

	2014-15	2013-14
<b>Benefits (Contribution to):</b>		
Provident fund	14.21	12.04
Superannuation fund	5.54	4.47
Employee state insurance scheme	0.35	0.58
Labour welfare scheme	0.02	0.02
<b>Total</b>	<b>20.12</b>	<b>17.11</b>

(b) Defined Benefit Plans (Refer accounting policy note 13(b) *supra*) as per Actuarial Valuation are as under:

	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	(Funded)	(Funded)	(Nonfunded)	(Nonfunded)	(Nonfunded)	(Nonfunded)
<b>I Change in present value of defined benefit obligation during the year</b>						
1 Present Value of defined benefit obligation at the beginning of the year	55.71	52.36	26.15	24.80	20.51	16.47
2 Interest cost	5.25	4.19	2.47	1.99	1.93	1.36
3 Current service cost	3.36	3.27	2.05	1.86	0.83	0.66
4 Past service cost	-	-	-	-	-	-
5 Liability transfer from other Company	0.08	0.04	0.12	0.03	-	-
6 Benefits paid	(13.03)	(6.02)	(6.62)	(3.87)	(6.48)	(5.62)
7 Actuarial (gains) / losses	6.64	1.87	5.73	1.34	6.21	7.64
8 Present Value of defined benefit obligation at the end of the year	58.01	55.71	29.90	26.15	23.00	20.51
<b>II Change in fair value of plan assets during the year</b>						
1 Fair value of plan assets at the beginning of the year	55.71	52.36	-	-	-	-
2 Expected return on plan assets	4.85	4.55	-	-	-	-
3 Contributions	10.43	4.18	-	-	-	-
4 Benefits paid from the fund	(13.03)	(6.02)	-	-	-	-
5 Actuarial gain / (loss)	(0.08)	0.64	-	-	-	-
6 Fair value of plan assets at the end of the year	57.88	55.71	-	-	-	-
7 Total actuarial gain/(loss) to be recognised	(6.72)	(1.23)	(5.73)	(1.34)	(6.21)	(7.64)
<b>III Actual return on plan assets</b>						
1 Expected return on plan assets	4.85	4.55	-	-	-	-
2 Actuarial gain / (loss)	(0.08)	0.64	-	-	-	-
3 Actual return on plan assets	4.77	5.19	-	-	-	-
<b>IV Net asset / (liability) recognised in the balance sheet</b>						
1 Present Value of defined benefit obligation at the end of the year	(58.01)	(55.71)	(29.90)	(26.15)	(23.00)	(20.51)
2 Fair value of plan assets at the end of the year	57.88	55.71	-	-	-	-
3 Amount recognised in the balance sheet	(0.13)	-	(29.90)	(26.15)	(23.00)	(20.51)
Net (liability) / asset- Current	(0.13)	-	(3.21)	(3.48)	(1.47)	(1.27)
Net (liability) / asset- Non-current	-	-	(26.69)	(22.67)	(21.53)	(19.24)
<b>V Expenses recognised in the statement of profit and loss for the year</b>						
1 Current service cost	3.36	3.27	2.05	1.86	0.83	0.66
2 Interest cost	5.25	4.19	2.47	1.99	1.93	1.36
3 Expected return on plan assets	(4.85)	(4.55)	-	-	-	-
4 Actuarial (gains) / losses	6.72	1.23	5.73	1.34	6.21	7.64
5 Total expenses as per actuarial valuation	10.48	4.14	10.25	5.19	8.97	9.66
6 Optional payment	-	-	-	-	-	-
7 Total expenses included in employee benefits expense	10.48	4.14	10.25	5.19	8.97	9.66



## NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

## 39. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS (Contd.)

	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	(Funded)	(Funded)	(Nonfunded)	(Nonfunded)	(Nonfunded)	(Nonfunded)
<b>VI Balance sheet reconciliation</b>						
1 Opening net liability	-	-	26.15	24.80	20.51	16.47
2 Expenses as above	10.48	4.14	10.25	5.19	8.97	9.66
3 Employer's contribution	(10.43)	(4.18)	(6.62)	(3.87)	(6.48)	(5.62)
4 Liability transfer from other company	0.08	0.04	0.12	0.03	-	-
5 Amount recognised in the balance sheet	0.13	-	29.90	26.15	23.00	20.51
<b>VII The major categories of plan assets as a percentage of total Insurer managed funds</b>	100%	100%	-	-	-	-
<b>VIII Effect of one percent point change in the assumed medical inflation rate</b>						
(1) Increase / (decrease) on aggregate service and interest cost of Post Retirement Medical Benefits						
(i) One percentage point increase in discount rate	-	-	-	-	(2.36)	0.15
(ii) One percentage point decrease in discount rate	-	-	-	-	2.93	(0.13)
(2) Increase/(decrease) on present value of defined benefits obligation at the end of the year						
(i) One percentage point increase in Medical Inflation rate	-	-	-	-	2.96	1.93
(ii) One percentage point decrease in Medical Inflation rate	-	-	-	-	(2.39)	(1.58)
<b>IX Experience Adjustment</b>						
On plan liabilities - gain / (loss)	(5.20)	(6.17)	(4.93)	(1.47)	(7.69)	(9.76)
On plan assets - gain / (loss)	(0.08)	0.64	-	-	-	-
<b>X Actuarial assumptions</b>						
1 Discount rate	7.92% p.a.	9.41% p.a.	7.92% p.a.	9.41% p.a.	7.92% p.a.	9.41% p.a.
2 Rate of return on plan assets	7.92% p.a.	8.70% p.a.	-	-	-	-
3 Salary escalation	6.00% p.a.	6.00% p.a.	6.00% p.a.	6.00% p.a.	-	-
4 Mortality pre retirement rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	-	-
5 Mortality post retirement rate	-	-	-	-	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
6 Medical premium inflation rate	-	-	-	-	2.00% p.a.	4.00% p.a.

- (c) The Company makes contribution towards superannuation fund as a defined contribution retirement benefit plan for qualifying employees. To fund the benefits, the Company is required to contribute a specified percentage of salary to the respective Trusts, which administer the retirement benefit schemes.
- (d) The Company makes annual contributions to the Crompton Greaves Limited Gratuity Trust, which is funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.
- (e) The Company provides post retirement medical benefits to qualifying employees.
- (f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2015. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (g) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- (h) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (i) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

## NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

## 40. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING

## I Primary Segments (Business Segments)

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2014-15
<b>Revenue</b>						
External sales (net of excise duty)	2733.18	3231.78	1465.10	406.96	-	7837.02
Inter segment sales	0.88	0.87	39.34	-	(41.09)	-
<b>Total</b>	<b>2734.06</b>	<b>3232.65</b>	<b>1504.44</b>	<b>406.96</b>	<b>(41.09)</b>	<b>7837.02</b>
Segment results	222.64	407.33	151.98	(39.00)	-	742.95
Less: Finance costs						(24.25)
Less: Other unallocable expenditure net of unallocable income						80.34
Profit from ordinary activities after finance cost but before exchange gain / (loss), exceptional items and tax						686.86
Exchange gain / (loss)						(47.42)
Exceptional items (net) - Income						260.05
Tax expense						168.35
Profit after tax						731.14
<b>Capital Employed:</b>						
Segment assets	2081.82	680.89	687.81	277.49	2984.80	6712.81
Segment liabilities	856.76	1240.07	281.10	40.45	194.75	2613.13
<b>Net Assets</b>	<b>1225.06</b>	<b>(559.18)</b>	<b>406.71</b>	<b>237.04</b>	<b>2790.05</b>	<b>4099.68</b>
Capital expenditure	40.95	4.31	12.26	5.12	21.84	84.48
Depreciation and amortisation	42.99	12.24	24.53	2.06	14.57	96.39
Non-cash expenses other than depreciation	14.65	6.31	4.05	0.08	-	25.09

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2013-14
<b>Revenue</b>						
External sales (net of excise duty)	2838.25	2897.16	1450.59	384.70	-	7570.70
Inter segment sales	4.82	1.34	48.49	-	(54.65)	-
<b>Total</b>	<b>2843.07</b>	<b>2898.50</b>	<b>1499.08</b>	<b>384.70</b>	<b>(54.65)</b>	<b>7570.70</b>
Segment results	258.52	337.46	152.87	1.88	-	750.73
Less: Finance costs						(22.02)
Less: Other unallocable expenditure net of unallocable income						152.73
Profit from ordinary activities after finance cost but before exchange gain / (loss), exceptional items and tax						620.02
Exchange gain / (loss)						92.43
Exceptional items						-
Tax expense						191.36
Profit after tax						521.09
<b>Capital Employed:</b>						
Segment assets	1876.27	628.01	682.77	216.13	2183.58	5586.76
Segment liabilities	1024.62	506.85	286.01	26.77	281.97	2126.22
<b>Net Assets</b>	<b>851.65</b>	<b>121.16</b>	<b>396.76</b>	<b>189.36</b>	<b>1901.61</b>	<b>3460.54</b>
Capital expenditure	54.11	28.65	23.44	15.31	18.78	140.29
Depreciation and amortisation	37.45	10.30	26.10	1.22	14.28	89.35
Non-cash expenses other than depreciation	7.92	4.71	9.94	0.06	-	22.63

\* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Tax credit assets / liabilities are not considered in capital employed.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****40. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING (Contd.)****II Secondary Segments (Geographical Segments)****(a) Segment revenue by location of customers:**

	2014-15	2013-14
<b>Sales and service revenue:</b>		
Domestic	6868.94	6652.00
Overseas:		
Asia	381.85	354.53
Africa	295.57	235.78
North America	63.07	65.26
South America	158.86	196.78
Europe	64.59	58.08
Australia	4.14	8.27
<b>Total</b>	<b>7837.02</b>	<b>7570.70</b>

**(b) The carrying amount of segment assets by location of assets:**

	As at 31-03-2015	As at 31-03-2014
Domestic	4961.47	4283.82
Overseas	1751.34	1302.94
<b>Total</b>	<b>6712.81</b>	<b>5586.76</b>

**III Unallocable Assets / Liabilities exclude:**

	As at 31-03-2015	As at 31-03-2014
<b>Liabilities:</b>		
Long term borrowings	0.54	0.54
Deferred tax liabilities	68.01	73.59
Short term borrowings	21.50	29.99
Current maturities of long term borrowings	-	0.35
<b>Total</b>	<b>90.05</b>	<b>104.47</b>

**IV Segment Identification, Reportable Segment and definition of each Reportable Segment:****(a) Primary segment:**

In the opinion of the management, the business segment comprises the following :

- (i) Power Systems : Transformer, Switchgear, Turnkey Projects and Power SCADA (Supervisory control and data acquisition systems)
- (ii) Consumer Products : Fans, Appliances, Luminaires, Light Sources and Pumps
- (iii) Industrial Systems : Electric Motors, Alternators, Drives, Traction Electronics and SCADA
- (iv) Other : Power Distribution

**(b) Primary / Secondary segment reporting format:**

- (i) The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.
- (ii) In respect of secondary segment information, the management has identified its geographical segments as (a) Domestic and (b) Overseas. The secondary segment information has been disclosed accordingly.

**(c) Segment identification:**

Business segments have been identified on the basis of the nature of products / services, the risk-return profile of individual businesses, the organizational structure and the internal reporting system of the Company.

**(d) Reportable segments:**

Reportable segments have been identified as per the quantitative criteria specified in the Accounting Standard.

**(e) Segment revenue and results:**

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

**(f) Segment assets and liabilities:**

Segment assets include all operating assets used by the business segment and mainly consist of fixed assets, trade receivables and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

**(g) Inter segment transfer:**

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter segment transfers are eliminated at the Company level.

## 41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES

Sr. No.	Name of the Related Party	Relationship	Transactions entered during the year (Yes / No)
<b>i) List of related parties over which control exists:</b>			
<b>Subsidiaries:</b>			
1	CG Energy Management Limited (amalgamated with the Company w.e.f. 25th March, 2015)	Wholly owned subsidiary	No
2	CG-ZIV Power Automation Solutions Limited (amalgamated with the Company w.e.f. 25th March, 2015)	Wholly owned subsidiary	No
3	CG Power Solutions Limited	Wholly owned subsidiary	Yes
4	Crompton Greaves Consumer Products Limited (incorporated on 19th September, 2014)	Wholly owned subsidiary	Yes
5	Crompton Greaves Consumer Electricals Limited (incorporated on 25th February, 2015)	Wholly owned subsidiary	Yes
6	CG International B.V.	Subsidiary of the Company	Yes
7	CG-PPI Adhesive Products Limited	Subsidiary of the Company	Yes
8	CG Holdings Belgium N.V.	Wholly owned subsidiary of CG International B.V.	Yes
9	CG Power Systems Belgium N.V.	Subsidiary of CG Holdings Belgium N.V.	No
10	CG Power Systems Ireland Limited	Wholly owned subsidiary of CG Power Systems Belgium N.V.	Yes
11	CG Sales Networks France SA	Subsidiary of CG Power Systems Belgium N.V.	Yes
12	CG Power Systems Canada Inc.	Wholly owned subsidiary of CG Power Systems Belgium N.V.	Yes
13	PT. CG Power Systems Indonesia	Subsidiary of CG Power Systems Belgium N.V.	Yes
14	CG Holdings Hungary Kft.	Subsidiary of CG Holdings Belgium N.V.	No
15	CG Electric Systems Hungary Zrt.	Wholly owned subsidiary of CG Power Systems Belgium N.V.	Yes
16	CG Power Holdings Ireland Limited (liquidated w.e.f. 11th April, 2014)	Wholly owned subsidiary of CG International B.V.	No
17	Microsol Limited	Wholly owned subsidiary of CG Power Systems Ireland Limited	No
18	CG Automation Systems UK Limited	Subsidiary of CG Power Systems Belgium N.V.	Yes
19	CG Service Systems France SAS	Wholly owned subsidiary of CG International B.V.	No
20	CG Power USA Inc.	Subsidiary of CG Power Systems Belgium N.V.	Yes
21	CG Power Solutions UK Limited	Wholly owned subsidiary of CG Automation Systems UK Limited	No
22	CG Power County LLC	Wholly owned subsidiary of CG Power USA Inc.	No
23	CG Power Systems Brazil Ltda	Wholly owned subsidiary of CG Power Systems Belgium N.V.	Yes
24	CG Power Solutions Saudi Arabia Limited	Subsidiary of CG Holdings Belgium N.V.	No
25	Crompton Greaves Holdings Mauritius Limited	Wholly owned subsidiary	Yes
26	CG International Holdings Singapore Pte. Limited	Wholly owned subsidiary of Crompton Greaves Holdings Mauritius Limited	No
27	CG Industrial Holdings Sweden AB	Wholly owned subsidiary of CG International B.V.	No
28	CG Drives and Automation Sweden AB	Wholly owned subsidiary of CG Industrial Holdings Sweden AB	Yes
29	CG Drives and Automation Netherlands B.V.	Wholly owned subsidiary of CG International B.V.	Yes
30	CG Drives and Automations Germany GmbH	Wholly owned subsidiary of CG International B.V.	Yes
31	Emotron Latin America Inc. (liquidated w.e.f. 14th April, 2014)	Wholly owned subsidiary of CG Drives and Automation Sweden AB	No
32	ZIV Aplicaciones y Tecnologia S.L.	Wholly owned subsidiary of CG International B.V.	No
33	ZIV Metering Solutions S.L.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.	Yes
34	ZIV Grid Automation S.L.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.	Yes
35	ZIV Communications S.A.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.	Yes
36	ZIV USA Inc. (liquidated w.e.f. 22nd April, 2014)	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.	No
37	ZIV Do Brazil Ltda	Subsidiary of ZIV Aplicaciones y Tecnologia S.L.	No
38	ZIV I+D Smart Energy Networks	Subsidiary of ZIV Metering Solutions S.L.	No
39	CG Middle East FZE	Wholly owned subsidiary of CG International B.V.	Yes
40	Crompton Greaves Sales Network Malaysia Sdn.Bhd.	Wholly owned subsidiary of CG International Holdings Singapore Pte. Limited	Yes
41	PT Crompton Prima Switchgear Indonesia (incorporated on 12th May, 2014)	Subsidiary of CG International Holdings Singapore Pte. Limited	No

**41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)**

ii) List of related parties with whom transactions were carried out during the year and description of relationship :

**Associate:**

- 1 CG Lucy Switchgear Limited

**Key Management Personnel:**

- 1 Gautam Thapar - Chairman and Promoter Director
- 2 Laurent Demortier - CEO & Managing Director
- 3 Madhav Acharya - Chief Financial Officer
- 4 Minal Bhosale - Company Secretary

**Other related parties in which directors are interested:**

- 1 Ballarpur Industries Limited
- 2 Solaris ChemTech Industries Limited
- 3 BILT Graphic Paper Products Limited
- 4 Avantha Holdings Limited
- 5 Avantha Business Solutions Limited  
(formerly Salient Business Solutions Limited)
- 6 Avantha Realty Limited
- 7 Sabah Forest Industries Sdn. Bhd.
- 8 Malanpur Captive Power Limited
- 9 Corella Investments Limited
- 10 Lustre International Limited
- 11 Ambuja Cements Limited
- 12 Asahi India Glass Limited
- 13 Avantha Foundation
- 14 Thermax Limited
- 15 Infosys Limited
- 16 Varun Prakashan Private Limited
- 17 Korba West Power Company Limited
- 18 KEC International Limited
- 19 Jhabua Power Limited

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)**

iii) The following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Nature of transaction / relationship	2014-15	2013-14
<b>1</b>	<b>Purchase of goods and services</b>		
	<b>Subsidiaries</b>		
	CG-PPI Adhesive Products Limited	2.08	3.35
	CG-ZIV Power Automation Solutions Limited	-	15.81
	CG Power Systems Belgium N.V.	-	0.07
	CG Power System Ireland Limited	1.75	0.17
	CG Power USA Inc.	4.69	0.04
	CG Electric Systems Hungary Zrt.	6.62	10.49
	PT. CG Power Systems Indonesia	0.04	-
	ZIV Grid Automation S.L.	8.75	-
	CG Drives and Automation Sweden AB	1.42	5.08
	ZIV Metering Solutions S.L.	0.07	0.02
	ZIV Communications S.A.	6.25	0.84
	<b>Associate</b>		
	CG Lucy Switchgear Limited	157.52	113.87
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.03	0.09
	Ambuja Cements Limited	1.03	-
	BILT Graphic Paper Products Limited	0.03	0.47
	<b>Total</b>	<b>190.28</b>	<b>150.30</b>
<b>2</b>	<b>Sales of goods and services</b>		
	<b>Subsidiaries</b>		
	CG-ZIV Power Automation Solutions Limited	-	0.16
	CG Holdings Belgium N.V.	0.35	4.18
	CG Power Systems Belgium N.V.	-	3.38
	CG Sales Networks France SA	9.86	0.69
	CG Power USA Inc.	22.72	78.44
	PT. CG Power Systems Indonesia	9.37	1.80
	CG Electric Systems Hungary Zrt.	7.65	20.56
	CG Automation Systems UK Limited	0.07	0.31
	CG Power Systems Brazil Ltda	6.61	17.43
	ZIV Grid Automation S.L.	1.02	-
	CG Middle East FZE	1.60	-
	CG Drives & Automation Sweden AB	10.05	0.25
	CG Drives & Automation Netherlands B.V.	0.89	0.37
	Crompton Greaves Sales Network Malaysia Sdn.Bhd.	0.32	-
	CG Drives and Automations Germany GmbH	2.81	8.88
	<b>Associate</b>		
	CG Lucy Switchgear Limited	10.81	10.40
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.15	0.60
	Solaris ChemTech Industries Limited	0.03	0.13
	BILT Graphic Paper Products Limited	0.51	0.63
	Avantha Holdings Limited	-	0.01
	Korba West Power Company Limited	5.12	9.12
	Asahi India Glass Limited	2.18	-
	Thermax Limited	2.02	-
	KEC International Limited	1.18	-
	Infosys Limited	1.96	-
	Sabah Forest Industries Sdn. Bhd.	0.56	0.37
	Jhabua Power Limited	2.86	5.14
	<b>Total</b>	<b>100.70</b>	<b>162.85</b>
<b>3</b>	<b>Sale of fixed assets</b>		
	<b>Subsidiary</b>		
	CG-PPI Adhesive Products Limited	0.01	-
	<b>Total</b>	<b>0.01</b>	<b>-</b>
<b>4</b>	<b>Purchase of fixed assets</b>		
	<b>Subsidiaries</b>		
	CG-ZIV Power Automation Solutions Limited	-	0.11
	CG Electric Systems Hungary Zrt.	-	0.03
	<b>Total</b>	<b>-</b>	<b>0.14</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)**

iii) The following transactions were carried out with the related parties in the ordinary course of business (Contd.)

Sr. No.	Nature of transaction / relationship	2014-15	2013-14
<b>5</b>	<b>Subscription to equity shares</b>		
	<b>Subsidiaries</b>		
	Crompton Greaves Consumer Products Limited	3.18	-
	Crompton Greaves Holdings Mauritius Limited	12.31	-
	Crompton Greaves Consumer Electricals Limited	0.05	-
	CG International B.V.	193.38	251.15
	<b>Total</b>	<b>208.92</b>	<b>251.15</b>
<b>6</b>	<b>Interest expenses</b>		
	<b>Subsidiary</b>		
	CG-PPI Adhesive Products Limited	0.32	0.33
	<b>Associate</b>		
	CG Lucy Switchgear Limited	0.86	0.36
	<b>Total</b>	<b>1.18</b>	<b>0.69</b>
<b>7</b>	<b>Dividend received</b>		
	<b>Subsidiary</b>		
	CG-PPI Adhesive Products Limited	0.16	0.20
	<b>Total</b>	<b>0.16</b>	<b>0.20</b>
<b>8</b>	<b>Bank charges recovered</b>		
	<b>Subsidiary</b>		
	CG International B.V.	50.17	50.09
	<b>Total</b>	<b>50.17</b>	<b>50.09</b>
<b>9</b>	<b>Rental income</b>		
	<b>Subsidiary</b>		
	CG-ZIV Power Automation Solutions Limited	-	0.34
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	1.79	0.85
	Thermax Limited	0.01	-
	Solaris ChemTech Industries Limited	-	0.30
	BILT Graphic Paper Products Limited	-	1.12
	<b>Total</b>	<b>1.80</b>	<b>2.61</b>
<b>10</b>	<b>Interest income</b>		
	<b>Subsidiaries</b>		
	CG-ZIV Power Automation Solutions Limited	-	0.42
	CG Power Solutions Limited	14.98	3.96
	CG International B.V.	29.89	29.65
	<b>Other Related Party</b>		
	Malanpur Captive Power Limited	0.85	0.83
	<b>Total</b>	<b>45.72</b>	<b>34.86</b>
<b>11</b>	<b>Payment of salaries, commission and perquisites</b>		
	<b>Key Management Personnel</b>		
	Gautam Thapar	3.96	5.21
	Laurent Demortier	6.56	8.79
	Madhav Acharya	3.09	2.73
	Minal Bhosale	0.56	0.50
	<b>Total</b>	<b>14.17</b>	<b>17.23</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)**

iii) The following transactions were carried out with the related parties in the ordinary course of business (Contd.)

Sr. No.	Nature of transaction / relationship	2014-15	2013-14
<b>12</b>	<b>Dividend paid</b>		
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	18.86	30.71
	Avantha Realty Limited	0.00	0.00
	Corella Investments Limited	0.29	0.87
	Lustre International Limited	0.17	0.52
	Varun Prakashan Private Limited	0.00	0.00
	<b>Total</b>	<b>19.32</b>	<b>32.10</b>
<b>13</b>	<b>Commission paid</b>		
	<b>Subsidiary</b>		
	CG Power USA Inc.	-	1.44
	<b>Total</b>	<b>-</b>	<b>1.44</b>
<b>14</b>	<b>Rent paid</b>		
	<b>Other Related Party</b>		
	Avantha Realty Limited	2.04	2.04
	<b>Total</b>	<b>2.04</b>	<b>2.04</b>
<b>15</b>	<b>Other expenses</b>		
	<b>Subsidiaries</b>		
	CG Holdings Belgium N.V.	0.23	-
	PT. CG Power Systems Indonesia	0.02	-
	CG Power Systems Canada Inc.	0.19	-
	CG Power Systems Brazil Ltda	0.28	-
	CG Power USA Inc.	0.43	0.15
	CG Sales Networks France SA	0.21	-
	CG Electric Systems Hungary Zrt.	0.01	0.15
	CG Drives and Automation Sweden AB	0.22	-
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	70.24	67.64
	Avantha Business Solutions Limited	0.94	1.13
	Avantha Foundation	4.78	-
	Avantha Realty Limited	0.58	0.47
	<b>Total</b>	<b>78.13</b>	<b>69.54</b>
<b>16</b>	<b>Recovery expenses</b>		
	<b>Subsidiary</b>		
	CG International B. V.	30.12	29.21
	<b>Total</b>	<b>30.12</b>	<b>29.21</b>



**NOTES** ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)****iv) Amount due to / from related parties**

Sr. No.	Nature of transaction / relationship	As at 31-03-2015	As at 31-03-2014
<b>1</b>	<b>Accounts payable</b>		
	<b>Subsidiaries</b>		
	CG-PPI Adhesive Products Limited	0.35	0.75
	CG-ZIV Power Automation Solutions Limited	-	8.84
	CG Holdings Belgium N.V.	0.26	0.03
	CG Power Systems Belgium N.V.	0.16	0.15
	CG Power USA Inc.	9.25	4.04
	PT. CG Power Systems Indonesia	0.43	-
	CG Electric Systems Hungary Zrt.	15.91	21.59
	CG Automation Systems UK Limited	1.46	1.79
	CG Power Systems Brazil Ltda	0.28	-
	CG Sales Networks France SA	0.20	-
	CG Service Systems France SAS	0.02	0.03
	ZIV Grid Automation S.L.	15.49	-
	CG Power Systems Ireland Limited	2.24	-
	CG Drives and Automation Sweden AB	0.48	45.76
	CG Power Systems Canada Inc.	0.19	-
	ZIV Metering Solutions S.L.	0.16	0.02
	ZIV Communication S.A.	10.42	0.95
	<b>Associate</b>		
	CG Lucy Switchgear Limited	28.27	35.15
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.00	0.00
	Avantha Holdings Limited	-	0.09
	Ambuja Cement Limited	0.00	-
	Avantha Business Solutions Limited	0.17	0.20
<b>Total</b>		<b>85.74</b>	<b>119.39</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)****iv) Amount due to / from related parties (Contd.)**

Sr. No.	Nature of transaction / relationship	As at 31-03-2015	As at 31-03-2014
<b>2</b>	<b>Accounts receivable</b>		
	<b>Subsidiaries</b>		
	CG Energy Management Limited	-	1.10
	CG-ZIV Power Automation Solutions Limited	-	0.16
	CG Holdings Belgium N.V.	0.46	4.17
	CG Power Systems Belgium N.V.	0.38	0.53
	CG Power System Ireland Limited	-	0.00
	CG Sales Networks France SA	7.71	0.34
	CG Power USA Inc.	12.11	20.74
	CG Power Systems Canada Inc.	0.03	0.03
	PT. CG Power Systems Indonesia	5.78	0.09
	CG Electric Systems Hungary Zrt.	6.15	9.96
	CG Middle East FZE	1.60	-
	CG Automation Systems UK Limited	0.06	0.09
	ZIV Grid Automation S.L.	0.89	-
	CG Power Systems, Brazil Ltda	3.38	10.60
	CG Drives and Automation Sweden AB	3.98	0.24
	CG Drives & Automation Netherlands B.V.	0.03	0.35
	Crompton Greaves Sales Network Malaysia Sdn.Bhd.	0.12	-
	CG Drives & Automation Germany GmbH	0.98	2.74
	<b>Associates</b>		
	CG Lucy Switchgear Limited	3.26	2.60
	Avantha Power & Infrastructure Limited	-	0.00
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.30	0.38
	Solaris ChemTech Industries Limited	0.11	0.17
	BILT Graphic Paper Products Limited	2.55	1.99
	Avantha Power Limited	0.00	-
	Avantha Holdings Limited	-	0.00
	Infosys Limited	1.27	-
	Asahi India Glass Limited	0.00	-
	Thermax Limited	1.09	-
	Ambuja Cement Limited	0.05	-
	Korba West Power Company Limited	-	10.48
	Sabah Forest Industries Sdn. Bhd.	0.03	0.17
	Jhabua Power Limited	13.75	8.34
	<b>Total</b>	<b>66.07</b>	<b>75.27</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)****iv) Amount due to / from related parties (Contd.)**

Sr. No.	Nature of transaction / relationship	As at 31-03-2015	As at 31-03-2014
<b>3</b>	<b>Loans and advances receivable</b>		
	<b>Subsidiaries</b>		
	CG Energy Management Limited	-	0.08
	CG-PPI Adhesive Products Limited	0.03	0.02
	CG-ZIV Power Automation Solutions Limited	-	11.83
	CG Power Solutions Limited	228.20	110.44
	CG International B.V.	720.73	528.70
	Crompton Greaves Consumer Electricals Limited	2.86	-
	CG Holdings Belgium N.V.	0.96	0.05
	CG Power Systems Belgium N.V.	5.15	4.00
	CG Electric Systems Hungary Zrt.	0.02	0.02
	ZIV Aplicaciones y Tecnologia S.L.	0.21	-
	CG Drives and Automation Sweden AB	0.19	0.19
	<b>Other Related Party</b>		
	Malanpur Captive Power Limited	11.96	11.20
	<b>Total</b>	<b>970.31</b>	<b>666.53</b>
<b>4</b>	<b>Loans and advances payable</b>		
	<b>Subsidiaries</b>		
	CG Energy Management Limited	-	0.02
	CG-ZIV Power Automation Solutions Limited	-	1.38
	CG Power USA Inc.	4.54	1.85
	PT. CG Power Systems Indonesia	-	0.20
	CG Electric Systems Hungary Zrt.	0.01	0.01
	CG Middle East FZE	1.01	-
	CG Drives and Automation Sweden AB	0.01	0.01
	<b>Other Related Parties</b>		
	Solaris ChemTech Industries Limited	0.10	0.13
	Jhabua Power Limited	0.84	-
	Avantha Realty Limited	1.61	-
	Korba West Power Company Limited	-	3.54
	<b>Total</b>	<b>8.12</b>	<b>7.14</b>
<b>5</b>	<b>Dividend payable</b>		
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	-	10.24
	Avantha Realty Limited	-	0.00
	Corella Investments Limited	-	0.29
	Lustre International Limited	-	0.17
	Varun Prakashan Private Limited	-	0.00
	<b>Total</b>	<b>-</b>	<b>10.70</b>
<b>6</b>	<b>Due to Key Management Personnel</b>		
	Gautam Thapar	3.96	5.21
	Laurent Demortier	3.64	5.46
	<b>Total</b>	<b>7.60</b>	<b>10.67</b>
<b>7</b>	<b>Guarantees given on behalf of subsidiaries</b>		
	CG International B.V.	973.54	1151.67
	CG Middle East FZE	134.28	-
	CG Electric Systems Hungary Zrt.	250.75	304.78
	<b>Total</b>	<b>1358.57</b>	<b>1456.45</b>

**Note :** No amounts have been written off or written back during the year.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****42. DISCONTINUING OPERATIONS**

The Board of Directors of the Company at its meeting held on 19th February, 2015 has approved the Scheme of Arrangement between Crompton Greaves Limited (CGL) (Demerged Company) and Crompton Greaves Consumer Electricals Limited (CGCEL) (Resulting Company), a wholly-owned subsidiary, incorporated under the provisions of the Companies Act, 2013 and their respective shareholders and creditors.

This Scheme, *inter alia*, envisages the transfer of the Consumer Products Business and the related assets and liabilities into the Resulting Company and other consequential matters under the provisions of Sections 391 to 394 of the Companies Act, 1956 read with Section 78 (corresponding Section 52 of the Companies Act, 2013), Sections 100-103 and other applicable provisions of the said Act.

The proposed Scheme will come into effect from the Appointed Date, i.e., 1st October, 2015, subject to receipt of all regulatory approvals. Upon the implementation of the proposed Scheme, all the shares in the Resulting Company will be held directly by the shareholders of CGL and CGL will cease to be the shareholder/holding company of CGCEL.

In line with Accounting Standard (AS) 24 Discontinuing Operations, the financial results of Consumer Products Business for the year ended 31st March, 2015 are given below:

Particulars	2014-15	2013-14
Revenue (including other income)	<b>3232.65</b>	2898.50
Expenses	<b>2835.53</b>	2565.61
Profit before tax	<b>397.12</b>	332.89
Tax expense	<b>127.68</b>	96.19
Profit after tax	<b>269.44</b>	236.70
Total Assets	<b>680.89</b>	628.01
Total Liabilities	<b>1240.07</b>	506.85
Net cash inflow / (outflow) from operating activities	<b>385.09</b>	352.70
Net cash inflow / (outflow) from investing activities	<b>3.60</b>	(24.04)
Net cash inflow / (outflow) from financing activities	<b>689.49</b>	(0.74)

**43. EXCEPTIONAL ITEMS**

Exceptional items for the year ended 31st March, 2015 include the following:

- Profit on sale of portion of land at Kanjurmarg, Mumbai ₹ 278.15 crore.
- Compensation of employees pursuant to Voluntary Retirement Scheme amounting to ₹ 18.10 crore.

**44. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The particulars of CSR expenditure are as follows:

- Gross amount required to be spent by the company during the year is ₹ 13.54 crore
- Amount spent during the year on :

Sr. No.	Particulars	₹ crore		
		In cash	Yet to be paid in cash	Total
(i)	Construction / acquisition of asset	-	-	-
(ii)	On purposes other than (i) above	<b>6.59</b>	-	<b>6.59</b>

- Out of the above, the Company has paid ₹ 4.78 crore to Avantha Foundation towards CSR activities.

45. The Company has not entered into any finance lease as specified in Accounting Standard (AS) 19 Leases. The Company has, however, taken various residential / commercial premises and plant and equipments under cancellable operating lease. These lease agreements are normally renewed on expiry, wherever required.

There are no exceptional / restrictive covenants in the lease agreements.

**46. DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS) 20 EARNINGS PER SHARE**

Particulars		2014-15	2013-14
Profit for the year	₹ crore	<b>731.14</b>	521.09
Face value of equity share	₹ / share	<b>2.00</b>	2.00
Weighted average number of equity shares outstanding	Nos.	<b>626746142</b>	633254604
Weighted average earnings per share (basic and diluted)	₹	<b>11.67</b>	8.23

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****47. FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES**

The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2015 are as under:

Sr. No.	Category of Derivative Instruments	As at 31-03-2015	As at 31-03-2014
<b>1</b>	<b>For hedging foreign currency risks:</b>		
(a)	Forward contracts for receivables including firm commitments USD (million)	51.00	34.00
(b)	Forward contracts for payables including firm commitments USD (million)	0.07	0.03
	EUR (million)	0.09	0.04
	GBP (million)	-	0.04
(c)	Forward contracts for loan EUR (million)	7.50	42.50
<b>2</b>	<b>Particulars of unhedged foreign currency exposure as at the balance sheet date:</b>		
		₹ crore	₹ crore
(a)	Trade payables	115.05	171.04
(b)	Loans and other receivable	670.37	179.09
(c)	Bank balance in current accounts and term deposit accounts	27.39	14.11
(d)	Investments in overseas subsidiaries	752.52	546.82

**48. PARTICULARS IN RESPECT OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY THE CLAUSE 32 OF LISTING AGREEMENT**

Name of the Company	Balance as at		Maximum outstanding during	
	31-03-2015	31-03-2014	2014-15	2013-14
<b>(a) Loans and advances in the nature of loans given to subsidiaries</b>				
CG Energy Management Limited	-	0.08	-	0.08
CG-PPI Adhesive Products Limited	0.03	0.02	0.03	0.02
CG-ZIV Power Automation Solutions Limited	-	11.83	-	11.83
CG Power Solutions Limited	228.20	110.44	246.17	110.44
CG International B.V.	720.73	528.70	785.89	528.70
CG Holdings Belgium N.V.	0.96	0.05	1.01	0.05
CG Power Systems Belgium N.V.	5.15	4.00	5.14	4.00
CG Electric Systems Hungary Zrt.	0.02	0.02	0.02	0.02
CG Drives and Automation Sweden AB	0.19	0.19	0.19	0.19
ZIV Aplicaciones y Tecnologia S.L.	0.21	-	0.21	-
Crompton Greaves Consumer Electricals Limited	2.86	-	2.86	-
<b>(b) Loans and advances in the nature of loans where repayment schedule is not specified</b>				
CG Energy Management Limited	-	0.08	-	0.08
CG-PPI Adhesive Products Limited	0.03	0.02	0.03	0.02
CG-ZIV Power Automation Solutions Limited	-	11.83	-	11.83
CG International B.V.	720.73	528.70	785.89	528.70
CG Holdings Belgium N.V.	0.96	0.05	1.01	0.05
CG Power Systems Belgium N.V.	5.15	4.00	5.14	4.00
CG Electric Systems Hungary Zrt.	0.02	0.02	0.02	0.02
CG Drives and Automation Sweden AB	0.19	0.19	0.19	0.19
ZIV Aplicaciones y Tecnologia S.L.	0.21	-	0.21	-
Crompton Greaves Consumer Electricals Limited	2.86	-	2.86	-
<b>(c) Loans and advances in the nature of loans where interest is not charged</b>				
CG Energy Management Limited	-	0.08	-	0.08
CG-PPI Adhesive Products Limited	0.03	0.02	0.03	0.02
CG-ZIV Power Automation Solutions Limited	-	7.85	-	7.85
CG International B.V.	36.78	117.63	153.78	117.63
CG Holdings Belgium N.V.	0.96	0.05	1.01	0.05
CG Power Systems Belgium N.V.	5.15	4.00	5.14	4.00
CG Electric Systems Hungary Zrt.	0.02	0.02	0.02	0.02
CG Drives and Automation Sweden AB	0.19	0.19	0.19	0.19
ZIV Aplicaciones y Tecnologia S.L.	0.21	-	0.21	-
Crompton Greaves Consumer Electricals Limited	2.86	-	2.86	-

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****49. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.**

Loans given and investments made are given under the respective heads.

Corporate gurantees given by the Company in respect of loans as at 31st March, 2015.

Name of the Company	As at 31-03-2015	As at 31-03-2014
CG International B.V.	973.54	1151.67
CG Middle East FZE	134.28	-
CG Electric Systems Hungary Zrt.	250.75	304.78
	<b>1358.57</b>	<b>1456.45</b>

50. Provision for current tax has been computed considering exemption under Section 54G of the Income Tax Act, 1961.

51. Amounts shown as 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

52. Current year's figure includes the results of the subsidiaries amalgamated during the year, specifically, CG Energy Management Limited and CG-ZIV Power Automation Solutions Limited. Consequently, figures for the current year are not comparable with the figures of the corresponding previous year.

53. Figures for the previous year have been regrouped wherever necessary.

**Signatures to Notes 1 to 53****SHARP & TANNAN****CHARTERED ACCOUNTANTS**

Firm's Registration No. 109982W

by the hand of

**Milind P. Phadke****PARTNER**

Membership No. 033013

Mumbai, 28th May, 2015

**Madhav Acharya****CHIEF FINANCIAL OFFICER****Minal Bhosale****COMPANY SECRETARY**

Mumbai, 28th May, 2015

**Laurent Demortier****CEO & MANAGING DIRECTOR****Gautam Thapar****CHAIRMAN**

Form AOC - I

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (Account) Rule, 2014 )  
Statement containing salient features of the financial Statement of Subsidiaries / Associate Companies / Joint Ventures  
Part 'A' : Subsidiaries

INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2015																		
Sr. No.	Name of the Subsidiary Company	Reporting year of the subsidiary ended on	Reporting Currency	Closing Exchange Rate	Capital			Reserves	Total Assets	Total Liabilities	Investment (except investments in subsidiaries)	Turnover (including Other income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of Shareholding	Country
					Equity Share Capital	Preference Share Capital	Share Capital											
1	CG-PPI Adhesive Products Limited	31-Mar-15	INR	1.00	3.90	-	10.76	19.79	5.13	-	14.59	1.82	0.47	1.35	-	81.42%	India	
2	CG Power Solutions Limited	31-Mar-15	INR	1.00	0.05	-	(30.16)	199.66	229.77	-	8.34	(12.79)	-	(12.79)	-	100.00%	India	
3	CG International B.V.	31-Mar-15	EUR	67.14	691.55	-	131.49	2556.58	1733.54	-	135.38	(0.13)	-	(0.13)	-	100.00%	The Netherlands	
4	CG Holdings Belgium N.V.	31-Mar-15	EUR	67.14	786.49	-	928.07	2989.95	1275.39	0.01	694.82	34.62	2.93	31.69	-	100.00%	Belgium	
5	CG Power Systems Belgium N.V.	31-Mar-15	EUR	67.14	1175.44	-	(465.65)	2548.36	1838.57	-	997.37	(150.30)	0.86	(151.16)	-	100.00%	Belgium	
6	CG Power Systems Ireland Limited	31-Mar-15	EUR	67.14	25.31	59.59	169.14	407.63	153.59	-	466.38	13.35	3.10	10.25	-	100.00%	Ireland	
7	CG Sales Networks France SA	31-Mar-15	EUR	67.14	0.31	-	4.55	25.02	20.16	-	29.21	(0.14)	(0.24)	0.10	-	99.40%	France	
8	CG Power Systems Canada Inc.	31-Mar-15	CAD	48.95	134.62	39.16	(268.31)	327.41	421.94	-	380.21	(11.70)	14.13	(25.83)	-	100.00%	Canada	
9	PT. CG Power Systems Indonesia	31-Mar-15	USD	62.50	79.32	-	495.40	841.67	266.95	-	810.63	80.65	23.10	57.55	-	95.00%	Indonesia	
10	CG Holdings Hungary Kft.	31-Mar-15	EUR	67.14	26.29	-	20.80	91.54	44.45	-	1.67	1.11	0.06	1.05	-	100.00%	Hungary	
11	CG Electric Systems Hungary Zrt.	31-Mar-15	EUR	67.14	30.21	-	(170.54)	776.60	916.93	-	367.58	(254.21)	-	(254.21)	-	100.00%	Hungary	
12	Microsol Limited	31-Mar-15	EUR	67.14	6.62	1.52	(8.14)	0.00	-	-	(0.01)	(0.01)	-	(0.01)	-	100.00%	Ireland	
13	CG Automation Systems UK Limited	31-Mar-15	GBP	92.38	26.23	-	3.59	140.55	110.73	-	28.47	2.93	-	2.93	-	100.00%	United Kingdom	
14	CG Service Systems France SAS	31-Mar-15	EUR	67.14	1.34	-	0.23	15.12	13.54	-	36.81	(2.41)	0.00	(2.41)	-	100.00%	France	
15	CG Power USA Inc.	31-Mar-15	USD	62.50	19.37	-	185.32	1161.82	957.12	4.70	1174.64	(14.21)	(6.43)	(7.78)	-	100.00%	USA	
16	CG Power Solutions UK Limited	31-Mar-15	GBP	92.38	0.00	-	(31.30)	230.96	282.26	-	168.39	(69.17)	4.86	(74.04)	-	100.00%	United Kingdom	
17	CG Power County LLC	31-Mar-15	USD	62.50	-	-	(38.78)	(0.04)	38.74	-	-	(0.04)	-	(0.04)	-	100.00%	USA	
18	CG Power Systems Brazil Ltda	31-Mar-15	REAL	19.34	-	-	(97.39)	36.51	133.90	-	45.30	(44.26)	-	(44.26)	-	100.00%	Brazil	
19	CG Power Solutions Saudi Arabia Ltd	31-Dec-14	SAR	16.66	18.74	-	(8.91)	17.34	7.44	-	5.83	(3.31)	-	(3.31)	-	51.00%	Saudi Arabia	
20	Crompton Greaves Holdings Mauritius Limited	31-Mar-15	EURO	67.14	211.51	-	0.01	211.55	0.03	-	0.02	0.02	-	0.02	-	100.00%	Mauritius	
21	CG International Holdings Singapore Pte. Limited	31-Mar-15	EURO	67.14	211.25	-	(0.37)	211.94	1.06	-	2.61	(0.30)	0.00	(0.30)	-	100.00%	Singapore	
22	CG Industrial Holdings Sweden AB	31-Mar-15	SEK	7.23	195.23	-	(32.17)	479.41	316.35	-	1.16	(13.56)	-	(13.56)	-	100.00%	Sweden	
23	CG Drives and Automation Sweden AB	31-Mar-15	SEK	7.23	18.53	-	160.37	474.14	295.24	-	169.40	24.26	6.56	17.70	-	100.00%	Sweden	
24	CG Drives and Automation Netherlands B.V.	31-Mar-15	EUR	67.14	3.99	-	12.90	23.88	6.99	-	51.16	3.95	0.92	3.03	-	100.00%	The Netherlands	
25	CG Drives and Automation Germany GmbH	31-Mar-15	EUR	67.14	0.17	-	5.85	45.90	39.88	-	101.69	1.45	0.48	0.97	-	100.00%	Germany	
26	ZIV Aplicaciones y Tecnologia S.L.	31-Mar-15	EUR	67.14	7.92	-	87.93	499.78	403.93	-	29.22	4.55	1.22	3.33	-	100.00%	Spain	
27	ZIV Metering Solutions S.L.	31-Mar-15	EUR	67.14	11.28	-	132.86	289.70	145.56	-	486.84	20.59	3.70	16.89	-	100.00%	Spain	
28	ZIV Grid Automation S.L.	31-Mar-15	EUR	67.14	12.64	-	79.55	109.77	17.58	-	95.19	(14.67)	(3.81)	(10.86)	-	100.00%	Spain	
29	ZIV Communications S.A.	31-Mar-15	EUR	67.14	1.50	-	0.42	45.01	43.09	-	83.18	0.71	0.01	0.70	-	100.00%	Spain	
30	ZIV Do Brazil Ltda	31-Mar-15	REAL	19.34	4.69	-	(7.37)	9.55	12.23	-	11.34	(0.43)	-	(0.43)	-	100.00%	Brazil	
31	ZIV I+D Smart Energy Networks	31-Mar-15	EUR	67.14	0.67	-	4.01	7.13	2.46	-	14.59	1.50	0.00	1.50	-	100.00%	Spain	
32	CG Middle East FZE	31-Mar-15	EUR	67.14	1.39	-	8.30	208.41	198.72	-	105.78	51.95	-	51.95	-	100.00%	UAE	
33	Crompton Greaves Sales Network Malaysia Sdn.Bhd.	31-Mar-15	MYR	16.87	0.34	-	0.00	0.85	0.50	-	2.12	(0.06)	0.00	(0.06)	-	100.00%	Malaysia	
34	PT Crompton Prima Switchgear Indonesia	31-Mar-15	USD	62.50	24.37	-	-	24.37	-	-	-	-	-	-	-	51.00%	Indonesia	
35	Crompton Greaves Consumer Products Limited	31-Mar-15	INR	1.00	3.18	-	(2.05)	1.13	0.00	-	(3.11)	(1.06)	(2.05)	-	-	100.00%	India	
36	Crompton Greaves Consumer Electricals Limited	31-Mar-15	INR	1.00	0.05	-	(1.89)	1.02	2.86	-	-	(2.86)	(0.97)	(1.89)	-	100.00%	India	

Notes:

1 Name of the subsidiaries which are yet to commence the business

PT Crompton Prima Switchgear Indonesia  
Crompton Greaves Consumer Products Limited  
Crompton Greaves Consumer Electricals Limited

2 Name of the subsidiaries which have been liquidated or sold during the year

CG Power Holdings Ireland Limited  
Emotron Latin America Inc.  
ZIV USA Inc.

**Form AOC-I**  
**Part 'B' : Associates and Joint Ventures**

₹ crore

<b>STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES FOR THE YEAR ENDED 31ST MARCH 2015</b>										
Sr. No.	Name of Associates	Latest Audited Balancesheet Date	Share of Associates held by company on the year end	Extend of Holding %	Description of How there is significant influence	Reason of why the Associates is not consolidated	Profit/Loss for the year			
							Number of Share held	Amount of Investment in Associates	Networth attributable to shareholding as per latest audited balance sheet	Considered in Consolidation
1	Saudi Power Transformers Co Ltd	31 December, 2013	1,479,800	49%	Control of more than 26% of total share capital	Do not control the composition of Board of Directors and do not exercises and control more than one-half of total share capital	24.64*	-	-	-
2	Pauwels Middle East Trading & Contracting (Pvt) Co. LLC	31 March, 2015	245	49%	Control of more than 26% of total share capital	Do not control the composition of Board of Directors and do not exercises and control more than one-half of total share capital	0.42*	-	-	-
3	K.K. El-Fi Co. Ltd	NA	NA	40%	Control of more than 26% of total share capital	Do not control the composition of Board of Directors and do not exercises and control more than one-half of total share capital	NA*	-	-	-
4	CG Lucy Switchgear Limited	31 March, 2015	599,993	49.99%	Control of more than 26% of total share capital	Do not control the composition of Board of Directors and do not exercises and control more than one-half of total share capital	0.60	24.06	4.95	4.95

\* Carrying amount of investments in these associates have been reduced to Nil.

Notes:

1. Name of the associates which are yet to commence the business - Nil
2. Name of the associates which have been liquidated or sold during the year - Nil

**Madhav Acharya**  
**CHIEF FINANCIAL OFFICER**  
Mumbai, 28th May, 2015

**Minal Bhosale**  
**COMPANY SECRETARY**

**Laurent Demortier**  
**CEO & MANAGING DIRECTOR**

**Gautam Thapar**  
**CHAIRMAN**



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# CONSOLIDATED FINANCIALS

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### Report on the Consolidated Financial statements

We have audited the accompanying consolidated financial statements of **Crompton Greaves Limited** (the 'Holding Company') and its subsidiaries and associates (the Holding Company and its subsidiaries and associates constitute the 'Group'), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (the 'consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the

accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 5,962.56 crore as at 31st March, 2015, total revenues of ₹ 6,323.39 crore and net cash flows amounting to ₹ 56.31 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 3.40 crore for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of certain associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms Section 143(11)(3) of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

The consolidated financial statements also include the Group's share of net profit of ₹ 4.95 crore for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of Section 143(11)(3) of the Act, in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies and an associate company incorporated in India, we give in the Annexure a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and an associate company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - 1) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer note 31 of the consolidated financial statements);
    - 2) the Group did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
    - 3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, except a delay of 164 days in depositing ₹ 32,103 with respect to a subsidiary company incorporated in India.

Mumbai, 28th May, 2015

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
Firm's Registration No.109982W  
by the hand of

**Milind P. Phadke**  
**PARTNER**

Membership No. 033013

- (i) (a) The Group is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Group and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Group and the nature of its business.
- (c) The Group is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Holding Company has granted unsecured loan to a company covered in the register maintained under Section 189 of the Act. The Holding Company has not granted any loans, secured or unsecured to firms or other parties covered in the register maintained under Section 189 of the Act:
- (a) the receipt of principal amount and interest is regular / as per stipulations;
- (b) there is no overdue amount in excess of ₹ 1 lakh.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Group and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
- (v) The Holding Company had accepted deposits from the public and in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder, where applicable, have been complied with. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the books of account and records maintained by the Group specified by the Central Government for the maintenance of cost records under Section 148(1) of the Act are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (vii) (a) According to the information and explanations given to us, the Group is generally regular in depositing undisputed statutory dues including provident fund, employees' state

insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Group examined by us, the particulars of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31st March, 2015 which have not been deposited on account of a dispute pending, are as under:

Name of the Statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Tax, interest and penalty	5.47	2005-06 2008-09 2010-11	Commissionerate (Appeals)
		0.06	2005-06 to 2008-09	Income tax officer (TDS)
The Central Sales Tax Act, 1956, Local Sales Tax Acts, Works Contract Tax Act and Entry Tax	Tax, interest and penalty	1.16	1989-90 1991-92 1996-97 1999-2000 2005-06 to 2008-09	High Court
		15.02	1992-93 1994-95 1996-97 to 1998-99 2000-01 to 2003-04 2005-06 to 2008-09 2014-15	Tribunal / CESTAT
		55.55	1998-99 to 2012-13 2014-15	Commissionerate (Appeals)
The Central Excise Act, 1944, the Customs Act, 1962 and Service Tax under the Finance Act, 1994	Duty, service tax, interest and penalty	0.21	2001-02 2002-03 2004-05 to 2007-08	High Court
		10.52	1991-92 1999-2000 to 2001-02 2003-04 to 2010-11 2013-14	CESTAT / Tribunal
		7.83	2001-02 to 2014-15	Commissionerate (Appeals)

(\*net of pre-deposit paid in getting the stay / appeal admitted)

- (c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made thereunder has been transferred to such fund within time, except a delay of 164 days in depositing ₹ 32,103 with respect to a subsidiary company incorporated in India.

- (viii) The Group has no accumulated losses as at 31st March, 2015 and it has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us and as per the records of the Group examined by us, the Group has not defaulted in repayment of dues to financial institutions or banks. The Group has not issued any debentures. Accordingly, the Paragraph 3 (ix) of the Order is not applicable to the Group.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantee given by the Group for loans taken by others from banks or financial institutions are not *prima facie* prejudicial to the interests of the Group.
- (xi) In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purposes for which the term loans were obtained.
- (xii) During the course of our examination of the books and records of the Group, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any material fraud on or by the Group noticed or reported during the year, nor have we been informed of such case by management.

Mumbai, 28th May, 2015

**SHARP & TANNAN**

**CHARTERED ACCOUNTANTS**

Firm's Registration No.109982W

by the hand of

**Milind P. Phadke**

**PARTNER**

Membership No. 033013

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

	Note No.	As at 31-03-2015	As at 31-03-2014
<b>EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS:</b>			
(a) Share capital	2	125.35	125.35
(b) Reserves and surplus	3	3690.57	3519.21
		3815.92	3644.56
<b>2. MINORITY INTEREST</b>	4	20.30	11.75
<b>3. NON-CURRENT LIABILITIES:</b>			
(a) Long-term borrowings	5	1903.91	1632.25
(b) Deferred tax liabilities	6	200.60	187.83
(c) Other long-term liabilities	7	52.18	67.80
(d) Long-term provisions	8	65.47	73.11
		2222.16	1960.99
<b>4. CURRENT LIABILITIES:</b>			
(a) Short-term borrowings	9	622.57	560.77
(b) Trade payables	10	2528.09	2773.73
(c) Other current liabilities	11	1435.59	1731.03
(d) Short-term provisions	12	346.96	333.33
		4933.21	5398.86
<b>TOTAL</b>		<b>10991.59</b>	<b>11016.16</b>
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS:</b>			
(a) Fixed assets			
(i) Tangible assets	13	1461.75	1570.87
(ii) Intangible assets	13	454.91	511.09
(iii) Capital work-in-progress		73.73	91.54
(iv) Intangible assets under development		52.95	126.83
(v) Goodwill on consolidation		946.75	1158.81
(b) Non-current investments	14	280.59	278.00
(c) Deferred tax assets	6	311.64	341.00
(d) Long-term loans and advances	15	23.70	49.89
		3606.02	4128.03
<b>2. CURRENT ASSETS:</b>			
(a) Current investments	16	160.82	20.89
(b) Inventories	17	1455.18	1671.39
(c) Trade receivables	18	3731.77	3591.25
(d) Cash and bank balances	19	689.30	814.95
(e) Short-term loans and advances	20	861.03	466.44
(f) Other current assets	21	487.47	323.21
		7385.57	6888.13
<b>TOTAL</b>		<b>10991.59</b>	<b>11016.16</b>
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	31		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The accompanying notes form an integral part of consolidated financial statements

As per our report attached

**SHARP & TANNAN**

**CHARTERED ACCOUNTANTS**

Firm's Registration No. 109982W

by the hand of

**Milind P. Phadke**

**PARTNER**

Membership No. 033013

Mumbai, 28th May, 2015

**Madhav Acharya**

**CHIEF FINANCIAL OFFICER**

**Minal Bhosale**

**COMPANY SECRETARY**

Mumbai, 28th May, 2015

**Laurent Demortier**

**CEO & MANAGING DIRECTOR**

**Gautam Thapar**

**CHAIRMAN**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	Note No.	2014-15	2013-14
<b>INCOME:</b>			
Sales and services		14393.44	14057.82
Less: Excise duty		380.30	426.29
Revenue from operations	22	14013.14	13631.53
Other income	23	167.04	189.01
<b>TOTAL REVENUE</b>		<b>14180.18</b>	<b>13820.54</b>
<b>EXPENSES:</b>			
Cost of raw materials and components consumed and construction materials	24	7211.06	7193.12
Purchases of stock-in-trade	25	2185.58	1993.21
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	133.87	(51.07)
Employee benefits expense	27	1993.56	1952.06
Finance costs	28	144.34	136.62
Depreciation and amortisation expense	29	262.03	262.14
Other expenses	30	1846.63	1932.17
<b>TOTAL EXPENSES</b>		<b>13777.07</b>	<b>13418.25</b>
<b>PROFIT BEFORE EXCHANGE GAIN / (LOSS), EXCEPTIONAL ITEMS AND TAX</b>		<b>403.11</b>	<b>402.29</b>
Exchange gain / (loss)		(47.42)	92.43
Exceptional items (net) {Refer note 41}		90.38	-
<b>PROFIT BEFORE PRIOR PERIOD ITEMS AND TAX</b>		<b>446.07</b>	<b>494.72</b>
Prior period items {Refer note 42}		(17.72)	-
<b>PROFIT BEFORE TAX</b>		<b>428.35</b>	<b>494.72</b>
<b>TAX EXPENSE:</b>			
Current tax		200.68	193.52
Deferred tax	6	21.31	42.53
		221.99	236.05
<b>PROFIT AFTER TAX</b>		<b>206.36</b>	<b>258.67</b>
<b>PROFIT / (LOSS) FROM CONTINUING OPERATIONS AFTER TAX</b>		<b>(61.19)</b>	<b>21.97</b>
<b>PROFIT FROM DISCONTINUING OPERATIONS BEFORE TAX</b>		<b>394.26</b>	<b>332.89</b>
Tax expense of discontinuing operations		126.71	96.19
<b>PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX</b>		<b>267.55</b>	<b>236.70</b>
<b>PROFIT AFTER TAX</b>		<b>206.36</b>	<b>258.67</b>
Minority interest in loss		1.44	0.68
Share of profit / (loss) of associate companies (net)		1.55	(15.02)
<b>PROFIT FOR THE YEAR</b>		<b>209.35</b>	<b>244.33</b>
Earnings per share (basic and diluted) (₹)	39	3.34	3.86
(Face value of equity share of ₹ 2 each)			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The accompanying notes form an integral part of consolidated financial statements

As per our report attached

**SHARP & TANNAN**

**CHARTERED ACCOUNTANTS**

Firm's Registration No. 109982W

by the hand of

**Milind P. Phadke**

**PARTNER**

Membership No. 033013

Mumbai, 28th May, 2015

**Madhav Acharya**

**CHIEF FINANCIAL OFFICER**

**Minal Bhosale**

**COMPANY SECRETARY**

Mumbai, 28th May, 2015

**Laurent Demortier**

**CEO & MANAGING DIRECTOR**

**Gautam Thapar**

**CHAIRMAN**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	2014-15	2013-14
<b>[A] CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxes</b>	<b>428.35</b>	494.72
Adjustments for:		
Depreciation and amortisation expense	262.03	262.14
Allowance for doubtful debts and advances	49.72	14.74
Interest expenses	144.34	136.62
Interest income	(39.65)	(39.96)
Income from investments (net)	-	(0.05)
Profit on sale of investments (net)	(4.54)	(10.86)
Unrealised exchange (gain) / loss (net)	102.69	(55.61)
Unrealised exchange gain on consolidation (net)	(61.26)	39.12
(Profit) / loss on sale of fixed assets (net)	(319.72)	(14.56)
	<b>133.61</b>	331.58
<b>Operating profit before working capital changes</b>	<b>561.96</b>	826.30
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(676.66)	(634.00)
(Increase) / Decrease in inventories	216.21	(34.67)
Increase / (Decrease) in trade and other payables	(573.14)	382.94
Increase / (Decrease) in provisions	35.31	34.43
	<b>(998.28)</b>	(251.30)
Cash (used in) / from operations	(436.32)	575.00
Direct taxes paid (net of refunds)	(246.77)	(241.11)
Minority interest in loss	1.44	0.68
Share of profit / (loss) of associate companies (net)	1.55	(15.02)
<b>Net cash (used in) / from operating activities</b>	<b>[A] (680.10)</b>	319.55
<b>[B] CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Add: Inflows from investing activities</b>		
Sale of fixed assets	343.64	19.48
Unrealised exchange gain on consolidation (net)	395.82	-
Sale of investments (net)	-	487.74
Interest received	39.57	39.97
Income received from investments (net)	-	0.05
Changes in investment in associate companies (net)	-	15.02
	<b>779.03</b>	562.26
<b>Less: Outflow from investing activities</b>		
Purchase of fixed assets	(212.63)	(281.48)
Purchase of investments (net)	(135.39)	-
Unrealised exchange loss on consolidation (net)	-	(363.80)
Fixed assets on acquisition of business / amalgamation	-	(14.79)
Changes in investment in associate companies (net)	(1.55)	-
Acquisition of subsidiaries and associates	(1.05)	-
	<b>(350.62)</b>	(660.07)
<b>Net Cash (used in) / from investing activities</b>	<b>[B] 428.41</b>	(97.81)



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	2014-15	2013-14
<b>[C] CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Add: Inflows from financing activities</b>		
Proceeds from long-term borrowings	979.85	4.65
Unrealised exchange loss on consolidation (net)	-	339.24
Proceeds from short-term borrowings (net)	61.80	264.30
Changes in minority interest	10.00	-
	<b>1051.65</b>	<b>608.19</b>
<b>Less: Outflows from financing activities</b>		
Buyback of shares	-	(133.54)
Repayments of long-term borrowings	(367.23)	(241.55)
Unrealised exchange loss on consolidation (net)	(325.91)	-
Dividend paid	(75.17)	(75.88)
Additional tax on dividend	(14.30)	(12.96)
Interest paid	(143.00)	(133.65)
Changes in minority interest	-	(0.76)
	<b>(925.61)</b>	<b>(598.34)</b>
<b>Net cash (used in) / from financing activities</b>	<b>[C] 126.04</b>	<b>9.85</b>
<b>NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES (A+B+C)</b>	<b>(125.65)</b>	<b>231.59</b>
<b>Cash and bank balances at beginning of the year*</b>	<b>814.95</b>	<b>583.36</b>
<b>Cash and bank balances at end of the year*</b>	<b>689.30</b>	<b>814.95</b>

\* Refer note 19, *infra***Notes:**

- The consolidated cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow Statements, as specified in the Companies (Accounting Standards) Rules, 2006.
- Additions to fixed assets include movements of capital work-in-progress during the year.
- Cash and bank balances at the end of the year represent cash and bank balances and include unrealised (loss) / gain of ₹ 40.32 crore (Previous year ₹ 41.66 crore) on account of translation of foreign currency bank balances.
- Figures for the previous year have been regrouped wherever necessary.

As per our report attached

**SHARP & TANNAN****CHARTERED ACCOUNTANTS**

Firm's Registration No. 109982W

by the hand of

**Milind P. Phadke****PARTNER**

Membership No. 033013

Mumbai : 28th May, 2015

**Madhav Acharya****CHIEF FINANCIAL OFFICER****Minal Bhosale****COMPANY SECRETARY**

Mumbai : 28th May, 2015

**Laurent Demortier****CEO & MANAGING DIRECTOR****Gautam Thapar****CHAIRMAN**

## 1. SIGNIFICANT ACCOUNTING POLICIES

**1. Basis of preparation and presentation of financial statements:**

The consolidated financial statements relate to Crompton Greaves Limited (the Parent Company), its subsidiary companies and associates. The Parent Company with its subsidiaries and associates constitute the Group.

- (a) The financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention, except for the revaluation of certain fixed assets, on accrual basis. The financial statements of the Company have been prepared to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory bodies viz. SEBI guidelines override the same requiring a different treatment. Certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities.
- (b) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e., year ended 31st March, 2015, except as stated in Note 32(c).
- (c) The financial statements of all Indian subsidiaries and associates are prepared in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and those of the foreign subsidiaries and associates, have been prepared in compliance with the local laws and applicable accounting standards. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2. Use of estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities and assets. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include the useful life of tangible and intangible fixed assets, allowances for doubtful debts/advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case the difference is recognised in the period in which the results are known.

**3. Principles of consolidation:**

- (a) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- (b) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- (c) The excess of cost to the Parent Company of its investment in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the consolidated financial statements as 'goodwill on consolidation' and carried in the balance sheet as an asset. Where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognised as 'capital reserve on consolidation' and shown under the head Reserves and Surplus, in the consolidated financial statements.
- (d) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- (e) Investments in associate companies have been accounted under the equity method as per Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements. Under the equity method of accounting, the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquisition. The carrying amount of investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The consolidated statement of profit and loss reflects the investor's share of the results of the operations of the investee.

**4. Fixed Assets:**

- (a) Fixed assets are stated at original cost net of tax / duty credit availed, less accumulated depreciation and amortisation. Subsequent upgradations / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.
- (b) Administrative and other general overheads that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.
- (c) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of project cost and capitalised.
- (d) Internally manufactured fixed assets are capitalised at factory cost, including excise duty, where applicable.
- (e) Capital work-in-progress includes cost of fixed assets under installation / under development as at the balance sheet date.
- (f) Capital expenditure on tangible assets for research and development is classified under fixed assets and is depreciated on the same basis as other fixed assets.
- (g) Fixed assets are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in case of retirement of assets and gains or losses arising from disposal of fixed assets are recognised in the statement of profit and loss in the year of occurrence.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

**5. Impairment of assets:**

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any; and
- (b) the reversal of impairment loss recognised in previous periods, if any.

Goodwill arising on consolidation is not amortized but tested for impairment annually.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- (a) In the case of an individual asset, at the higher of the net selling price and the value in use; and
- (b) In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

**6. Intangible assets and amortisation:**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are amortised as follows:

**(a) Intangible assets:**

- |                                   |   |  |
|-----------------------------------|---|--|
| (1) Specialised software          | : | Over a period of five to six years;                                      |
| (2) Technical know-how            | : | Over a period of five years (from the date of availability for its use); |
| (3) Commercial rights             | : | Over the period of ten years;  |
| (4) Brand name and customer lists | : | Over a period of ten years;  |
| (5) Other intangible assets       | : | Over a period of three to fifteen years; and                             |

**(b) Research and development cost:**

- (1) Research cost:

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

- (2) Development cost:

Development expenditure on new product is capitalised as intangible asset, if all of the following can be demonstrated.

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) the Company has intention to complete the development of intangible asset and use or sell it;
- (iii) the Company has ability to use or sell the intangible asset;
- (iv) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the Intangible assets, fulfilling the criteria are amortised over a period of three to ten years based on expected future benefits, otherwise are expensed in the period in which they are incurred.

**7. Investments:****Long-term investments:**

Long term investments are carried at cost. However, provision for diminution is made to recognise a decline in the permanent nature in the value of investments.

**Current investments:**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments and are carried at cost or fair value whichever is lower. The comparison of cost and carrying amount is done separately for each category of investments based on the market value of the investments.

**1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

**8. Inventories:**

- |   |   |   |
|---|---|---|
| (a) Raw materials, packing materials, construction materials, stores and spares | : | At lower of cost, on weighted average basis and net realisable value.   |
| (b) Work-in-progress – Manufacturing  | : | At lower of cost of material, plus appropriate production overheads and net realisable value.   |
| (c) Finished goods – Manufacturing  | : | At lower of cost of materials plus appropriate production overheads, including excise duty paid / payable on such goods and net realisable value. |
| (d) Finished goods – Trading  | : | At lower of cost, on weighted average basis and net realisable value.   |

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods & Materials in transit are valued at actual cost incurred upto the date of Balance Sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

**9. Cash and cash equivalents:**

- (a) Cash comprises cash on hand and demand deposits with banks.
- (b) Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**10. Foreign currency transaction and foreign operation:**

- (a) The reporting currency is Indian Rupee.
- (b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (c) Financial statements of foreign operations, those are treated as integral operations and translated in the same manner as foreign currency transactions, as described above. Exchange differences arising on such translations are recognized as income or expenses of the period in which they arise.
- (d) Financial statements of foreign subsidiaries those are treated as non-integral operations, their financial statements are translated at the following exchange rates:
 

(1) Share capital	:	At the original rate when the capital was infused
(2) Fixed assets	:	Exchange rate prevailing at the end of the year
(3) Current assets and current liabilities	:	Exchange rate prevailing at the end of the year
(4) Revenues and expenses	:	At the average rate during the year
(5) Other non-current assets / liabilities	:	Exchange rate prevailing at the end of the year

The resultant exchange difference is accounted as foreign currency translation reserve until the disposal of the net investment.

**11. Derivative contracts:**

- (a) Derivative contracts entered into, to hedge foreign currency / price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the statement of profit and loss or balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the statement of profit and loss.
- (b) The premium or discount on forward contracts is amortised as expense or income over the period of the contract.
- (c) Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the statement of profit and loss in the same period in which the hedged item is accounted.

**12. Long-term loans:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the income statement.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

**13. Revenue Recognition:****(a) Sale of goods:**

Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of the goods. It also includes excise duty and price variations based on the contractual agreements and excludes value added tax / sales tax.

**(b) Sale of services:**

Service income is recognised as per the terms of the contracts with the customers on proportionate completion method.

**(c) Revenue from contracts:**

Revenue from contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated cost to complete. Foreseeable loss, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost till such time the outcome of the contract cannot be ascertained reliably and at realisable value thereafter. Claims are accounted as income in the year of acceptance by customer.

**(d) Revenues from power distribution business:**

Revenue from power distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued upto the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission. Interest is accounted on accrual basis on overdue bills.

**(e) Interest income:**

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.

**(f) Dividend income:**

Dividend income is accounted for when the right to receive the same is established .

**(g) Lease income:**

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight-line basis as per the terms of the agreements in the statement of profit and loss.

**14. Employee benefits:**

Employee benefits including contributions towards social security and retirement benefit schemes are accounted for based on the regulatory framework in the respective countries and employment rules / contracts applicable to the specific companies.

**15. Depreciation:****(a) Indian companies:****(1) Owned assets:**

Depreciation on the fixed assets is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Fixed assets which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

In case of following category of fixed assets, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the one specified in Schedule II to the Companies Act, 2013.

- (i) Plant and machinery – Maximum 21 years
- (ii) Furniture and fixtures – Maximum 15 years
- (iii) Vehicle – Maximum 8 years.

**(2) Leased assets:**

- (a) Leasehold lands are amortised over the period of lease.
- (b) Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.
- (c) In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

**(b) Foreign companies:**

- (a) Depreciation on fixed assets has been provided at the rates required / permissible by the GAAPs of the respective countries. However, the depreciation rates are higher than the rates based on useful lives specified in the Schedule II to the Companies Act, 2013.
- (b) Vehicles acquired on finance leases are depreciated over the period of lease agreement or the useful life, whichever is shorter.

**16. Borrowing costs:**

- (a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognised as expense in the period in which they are incurred.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

**17. Segment accounting:****(a) Segment accounting policies:**

Segment accounting policies are in line with the accounting policies of the Company. The company identifies primary business segment based on the different risks and returns, the organisation structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. In addition, the following specific accounting policies have been followed for segment reporting:

- (1) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- (2) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- (3) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- (4) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.
- (5) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

**(b) Inter segment transfer pricing:**

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

**18. Leases:**

- (a) Assets acquired under leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and the liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- (b) Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on accrual basis.

**19. Earnings per share:**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**20. Taxes on income:**

- (a) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.
- (b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.
- (c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (e) The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the respective companies have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

**21. Provisions, Contingent liabilities, Contingent assets and Commitments:**

- (a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:
  - (1) the Company has a present obligation as a result of a past event;
  - (2) a probable outflow of resources is expected to settle the obligation; and
  - (3) the amount of the obligation can be reliably estimated.
- (b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if, obligation is settled.
- (c) Contingent liability is disclosed in the case of:
  - (1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
  - (2) a present obligation arising from past events, when no reliable estimate is possible;
  - (3) a possible obligation arising from past events, unless the probability of outflow of resources is remote.
- (d) Contingent assets are neither recognised nor disclosed.
- (e) Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- (f) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****22. Government grants / subsidy:**

- (a) Capital grants in case of depreciable assets; the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.
- (b) Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

**23. Extraordinary and exceptional items:**

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are classified as extraordinary items. Specific disclosures of such events / transactions are made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such. Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b> {Refer note (a) below}: 2,03,80,00,000 Equity Shares of ₹ 2 each (Previous year 1,80,50,00,000 Equity Shares of ₹ 2 each)	<b>407.60</b>	361.00
<b>Issued</b> {Refer note (a) below}: 62,67,88,442 Equity Shares of ₹ 2 each (Previous year 62,67,88,442 Equity Shares of ₹ 2 each)	<b>125.35</b>	125.35
<b>Subscribed and paid-up</b> {Refer note (a) below}: 62,67,46,142 Equity Shares of ₹ 2 each (Previous year 62,67,46,142 Equity Shares of ₹ 2 each)	<b>125.35</b>	125.35
<b>Forfeited shares:</b> Amount paid-up on 42,300 Equity Shares of ₹ 2 each (Amount paid-up ₹ 32,175)	<b>0.00</b>	0.00
	<b>125.35</b>	125.35

**Notes:****(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:**

Authorised share capital	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	1805000000	361.00	1805000000	361.00
Amalgamation of wholly-owned subsidiaries with the Company (Refer note below)	233000000	46.60	-	-
Balance at the end of the year	2038000000	407.60	1805000000	361.00

During the year, the Company's authorised share capital has increased from ₹ 361.00 crore to ₹ 407.60 crore comprising of 2,03,80,00,000 number of equity shares of ₹ 2 each on amalgamation of CG Energy Management Limited and CG-ZIV Power Automation Solutions Limited, wholly owned subsidiaries, with the Company on 1st April, 2014.

Issued share capital	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	626788442	125.35	641533836	128.30
Less: Shares bought back	-	-	14745394	2.95
Balance at the end of the year	626788442	125.35	626788442	125.35

Subscribed and paid-up	As at 31-03-2015		As at 31-03-2014	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	626746142	125.35	641491536	128.30
Less: Shares bought back	-	-	14745394	2.95
Balance at the end of the year	626746142	125.35	626746142	125.35

The Company has not issued any equity shares during the current and in the previous year.

**(b) Terms / rights attached to equity shares:**

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

During the year, the Company has declared and paid interim dividend of ₹ 0.80 per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**
**(c) Details of shareholders holding more than 5 % shares in the Company:**

	As at 31-03-2015		As at 31-03-2014	
	%	No. of Shares	%	No. of Shares
1 Avantha Holdings Limited	34.37	215442496	40.84	255937034
2 HDFC Trustee Company Limited (HDFC Rajiv Gandhi Equity Savings Scheme Series - 1 Feb, 2013)	9.22	57809500	-	-
3 HDFC Trustee Company Limited - HDFC Equity Fund	-	-	9.30	58269500
4 Life Insurance Corporation of India	4.80	30071908	5.24	32842674

**(d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.**
**(e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:**

	As at	As at
	31-03-2015	31-03-2014
	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares issued as fully paid-up bonus shares	-	274924944

**(f) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:**

	As at	As at
	31-03-2015	31-03-2014
	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares bought back	14745394	14745394

**(g) Aggregate number of shares issued as GDRs**

	As at 31-03-2015		As at 31-03-2014	
	%	No. of Shares	%	No. of Shares
The Bank of New York	0.16	973844	0.22	1383534

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014	
<b>3. RESERVES AND SURPLUS</b>			
<b>Capital reserve on consolidation:</b>			
As per last balance sheet	158.10	158.10	
Less: Transferred to Statement of profit and loss on amalgamation of a subsidiary	(0.84)	-	
	157.26		158.10
<b>Capital reserve</b>	19.12		19.12
<b>Capital redemption reserve:</b>			
As per last balance sheet	12.95	10.00	
Add: On account of Buy back	-	2.95	
	12.95		12.95
<b>Securities premium account:</b>			
As per last balance sheet	18.30	151.84	
Less: Utilised for Buy-back	-	(133.54)	
	18.30		18.30
<b>Revaluation reserve:</b>			
As per last balance sheet	29.90	30.93	
Add : Addition during the year	-	-	
Less: Transferred to Statement of profit and loss {Refer note (a) below}	(2.84)	(1.03)	
	27.06		29.90
<b>Statutory reserve: {Refer note (b) below}</b>			
As per last balance sheet	65.46	63.02	
Addition / (deduction) during the year	1.59	2.44	
	67.05		65.46
<b>Government grant:</b>			
As per last balance sheet	0.10	0.10	
Addition / (deduction) during the year	1.49	-	
	1.59		0.10
<b>Foreign currency translation reserve:</b>			
As per last balance sheet	199.63	139.29	
Addition / (deduction) during the year	23.12	60.34	
	222.75		199.63
<b>Hedge reserve:</b>			
As per last balance sheet	(3.02)	(4.15)	
Addition / (deduction) during the year {Refer note (c) below}	2.51	1.13	
	(0.51)		(3.02)
<b>Balance in Statement of profit and loss:</b>			
As per last balance sheet	3018.67	2864.97	
Add: Profit for the year	209.35	244.33	
Add: Transferred to Statement of profit and loss on amalgamation of a subsidiary	0.84	-	
Less: Transitional provision for depreciation charge {Refer note (d) below}	(2.09)	-	
Less: Transferred to statutory reserve	(1.59)	(2.44)	
<b>Profit available for distribution:</b>	3225.18	3106.86	
1st Interim dividend	25.07	25.19	
2nd Interim dividend	25.07	25.07	
Proposed dividend	-	25.07	
Additional tax on dividend	10.04	12.86	
	3165.00		3018.67
	3690.57		3519.21

**Notes:**

- Revaluation reserve written-back ₹ 2.84 crore on assets disposed-of and included under profit on sale of fixed assets.
- Statutory reserve represents profits set aside as per the local statutory requirement of overseas subsidiaries and the same is not available for distribution.
- Hedge reserve represents net mark-to-market loss on forward contracts open as at the end of the financial year for which the hedged transaction have not occurred.
- Pursuant to enactment of the Companies Act, 2013 and its applicability for accounting periods commencing from 1st April, 2014, the Company has revised its policy of providing depreciation on fixed assets as per Schedule II to the said Act. Depreciation is now provided over the remaining useful life of fixed assets for all assets as against policy of providing on written down value basis for some assets and straight line basis for others. Consequently, the depreciation for the year ended 31st March, 2015 is higher ₹ 4.88 crore, respectively and the profit before tax is lower by the like amounts. Further, an amount of ₹ 2.09 crore (net of deferred tax of ₹ 1.08 crore) representing the carrying amount of the assets with revised useful life as Nil, has been charged to opening reserves as on 1st April, 2014.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>4. MINORITY INTEREST</b>		
Opening balance	11.75	9.48
Addition / (Deletion) during the year	11.48	-
Share of profit / (loss) for the year	(1.44)	(0.68)
Dividend to minority shareholders	(0.04)	(0.08)
Translation adjustment	(1.45)	3.03
Closing balance	20.30	11.75

	As at 31-03-2015	As at 31-03-2014
<b>5. LONG-TERM BORROWINGS</b>		
<b>Secured loans</b>		
<b>Term loans</b>		
From banks {Refer note (a) below}	1728.03	1554.16
From financial institutions {Refer note (b) below}	21.97	20.76
<b>Bonds</b> {Refer note (c) below}	50.66	53.27
<b>Unsecured loans</b>		
Term loans from bank {Refer note (d) below}	100.71	-
Interest-free sales tax deferral loans from State Government {Refer note (e) below}	0.54	0.54
Lease finance {Refer note (f) below}	2.00	3.52
	1903.91	1632.25

**(a) Secured term loans from banks:**

- (i) Long-term loan of ₹ 13.16 crore (Previous year ₹ 18.37 crore) is secured by way of fixed and floating charge on all assets of CG Power Systems Ireland Limited. This loan is repayable in eighty equal quarterly installments from the drawdown in February 2003.
- (ii) Long-term loan of ₹ 41.66 crore (Previous year ₹ 59.89 crore) is secured by way of fixed and floating charge on all assets of CG Power USA Inc located in Missouri and New Jersey. This loan is repayable in ten equal half yearly installments from drawdown in June, 2011.
- (iii) Long-term loan of ₹ 190.33 crore (Previous year ₹ 233.20 crore) is secured by way of fixed and floating charge on all assets of CG Electric Systems Hungary Zrt. Repayment of the loan will commence from December 2022 and will be repayable in four equal annual installments.
- (iv) Long-term loan of ₹ 10.74 crore (Previous year ₹ 13.16 crore) is secured by way of fixed and floating charge on all assets of CG Electric Systems Hungary Zrt. and is also guaranteed by the parent company. This loan will be payable by a single installment in September, 2016.
- (v) Long-term loan of ₹ 19.32 crore (Previous year ₹ 39.12 crore) is secured by way of fixed and floating charge on all assets of CG Power Systems Belgium N.V and CG Holdings Belgium N.V. Repayment of the loan will commence from 2015-16 and will be repayable in four unequal annual installments.
- (vi) Long-term loan of ₹ 656.56 crore (Previous year ₹ 1042.94 crore) is secured by pledge over 100% shares of ZIV group, mortgage of fixed assets located at Spain and guaranteed by the parent Company. This loan is repayable in unequal annual and half yearly installments from January, 2014.
- (vii) Long-term loan of ₹ 28.26 crore (Previous year ₹ 6.32 crore) is secured by first priority on all accounts receivables of the CG Power USA Inc. located at Missouri and a lien senior in priority to all liens other than liens granted in favour of leased equipments.
- (viii) Long-term loan of ₹ 134.28 crore (Previous year ₹ Nil) availed by CG Middle East FZE is secured by way of corporate guarantee given by Parent Company. This loan is repayable by way of bullet payment at the end of 24 months from the drawdown in August 2014.
- (ix) Long-term loan of ₹ 633.72 crore (Previous year ₹ Nil) is secured by way of first charge on the Consumer Division's fixed assets and brand of the Company. This loan is repayable in 22 equal half yearly installments from the date of first drawdown.

**(b) Secured term loans from the financial institution consists the following:**

Soft loans of ₹ 21.97 crore (Previous year ₹ 20.76 crore) from Government / Ministry of Spain which are repayable in periodical installments from the year 2012 to 2022.

**(c) Borrowings by way Bonds:**

- (i) BUILD Missouri revenue bonds, Series 2010 with interest payable semi-annual at a fixed rate and principal payments ranging from ₹ 0.15 crore to ₹ 0.29 crore through maturity on 1st December, 2024.
- (ii) Industrial development revenue bonds, Series 2008 with interest payable monthly at the weekly adjusted LIBOR rate and annual principal payment ranging from ₹ 0.78 crore to ₹ 2.36 crore through maturity in December, 2028.
- (iii) Industrial development revenue bonds, Series 1999 with interest payable monthly at the weekly adjusted LIBOR rate and annual principal payments ranging from ₹ 0.51 crore to ₹ 1.26 crore through maturity in December, 2019.
- (iv) Industrial development revenue bonds, Series 1995 with interest payable monthly at the weekly adjusted LIBOR rate and annual principal payment ranging from ₹ 1.20 crore to ₹ 1.80 crore through maturity in June, 2015.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****(d) Unsecured term loans from banks consist of the following:-**

Long-term loan of ₹ 100.71 crore (Previous year ₹ Nil) is payable by way of single installment in August, 2016.

**(e) The Company has opted for the deferral Scheme of sales tax, which is payable as per the Scheme framed by State Government.****(f) Finance lease:**

Finance lease obligations are repayable in equated monthly installments.

The assets acquired on finance lease mainly comprise, cars and equipments. The lease has a primary period, which is fixed and non-cancellable. The Group has an option to renew the lease for a secondary period.

The minimum lease rentals as at 31st March, 2015 and the present value as at 31st March, 2015 of minimum lease payments in respect of assets acquired under finance leases are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2014-15	2013-14	2014-15	2013-14
Due within one year	1.65	2.51	0.67	2.03
Due one to five years	2.40	4.54	2.00	3.52
<b>Total</b>	<b>4.05</b>	<b>7.05</b>	<b>2.67</b>	<b>5.55</b>
Less: Future finance charges	1.38	1.50		
Present value of minimum lease payable	<b>2.67</b>	<b>5.55</b>		

	As at 31-03-2015		As at 31-03-2014	
<b>6. DEFERRED TAX</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>	Deferred tax assets	Deferred tax liabilities
Difference between book and tax depreciation	-	170.61	-	167.68
Expenses allowable for tax purposes when paid / on payment of tax (TDS)	67.14	-	62.57	-
Unabsorbed carried forward tax losses / depreciation	164.03	-	210.40	-
Other items giving rise to timing differences	80.47	29.99	68.03	20.15
	<b>311.64</b>	<b>200.60</b>	341.00	187.83
Net deferred tax liabilities / asset	<b>111.04</b>		153.17	
Net asset / liability credited / charged to Statement of profit and loss		<b>21.31</b>		42.53
Transitional provision for depreciation charge (Refer note 3(d), <i>supra</i> )	1.08		-	
Effect of translation gain / loss	(21.90)		27.61	
	<b>(20.82)</b>	<b>21.31</b>	27.61	42.53
Net incremental assets / liabilities		<b>(42.13)</b>		14.92

	As at 31-03-2015		As at 31-03-2014	
<b>7. OTHER LONG-TERM LIABILITIES</b>				
<b>Other payables:</b>				
Deposits	3.04		9.44	
Others	49.14		58.36	
		<b>52.18</b>		67.80
		<b>52.18</b>		67.80

	As at 31-03-2015	As at 31-03-2014
<b>8. LONG-TERM PROVISIONS</b>		
Employees benefits (Refer note below)	65.47	73.11
	<b>65.47</b>	73.11

The Group has recognised liabilities towards Employee benefits as per the applicable GAAP in the country of domicile.

## NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2015	As at 31-03-2014
<b>9. SHORT-TERM BORROWINGS</b>		
<b>Secured loans</b>		
<b>Term loans</b>		
From banks {Refer note (a) below}	369.11	338.91
<b>Working capital demand loan</b>		
From banks {Refer note (a) below}	51.34	57.34
<b>Unsecured loans</b>		
From banks {Refer note (b) below}	202.12	164.52
	<b>622.57</b>	<b>560.77</b>

**Notes :**

- (a) The Group has availed various short-term borrowings and working capital demand loan. These loans are secured by hypothecation of inventories, book debts and trade receivables, both present and future.
- (b) The Group has availed unsecured short-term borrowing which is guaranteed by a corporate guarantee of Parent Company.

	As at 31-03-2015	As at 31-03-2014
<b>10. TRADE PAYABLES</b>		
Acceptances	383.74	346.66
Due to others	2114.24	2389.66
<b>Due to related parties:</b>		
Associates	30.11	37.41
	<b>2528.09</b>	<b>2773.73</b>

	As at 31-03-2015	As at 31-03-2014
<b>11. OTHER CURRENT LIABILITIES</b>		
<b>Current maturities:</b>		
<b>Long-term borrowings:</b>		
From banks {Refer note 5(a), <i>supra</i> }	210.35	194.28
From financial institutions {Refer note 5(b) and note 9, <i>supra</i> }	2.08	1.70
From bonds {Refer note 5(c), <i>supra</i> }	4.92	4.61
	<b>217.35</b>	200.59
Interest free deferral loans from State Government {Refer note 5(e), <i>supra</i> }	-	0.35
Lease finance {Refer note 5(f), <i>supra</i> }	0.67	2.03
Interest accrued but not due on borrowings	8.57	7.23
Advances from customers	648.64	945.64
<b>Investor Education and Protection Fund:</b>		
Unclaimed dividend	1.98	1.94
Due to directors	9.57	12.85
Due to customers (construction and project related activity)	120.43	126.13
<b>Other payables:</b>		
Due to erstwhile shareholders	5.29	44.74
Security deposits	6.16	2.01
Statutory dues	100.19	70.97
Employee dues	152.61	154.24
Others	164.13	162.31
	<b>428.38</b>	434.27
	<b>1435.59</b>	<b>1731.03</b>

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>12. SHORT-TERM PROVISIONS</b>		
Proposed dividend	-	25.07
Additional tax on dividend	-	4.26
Employee benefits	4.85	4.77
Others provisions (Refer note below)	342.11	299.23
	<b>346.96</b>	<b>333.33</b>

**Disclosures as required by Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets:****(1) Movement in provisions:**

Nature of provisions	Warranties		Sales tax / VAT		Excise duty/ Customs duty / Service tax	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Carrying amount at the beginning of the year	95.53	81.17	22.59	19.10	11.32	8.76
Additional provision made during the year #	120.65	54.97	-	3.94	-	2.89
Amounts used during the year	32.65	21.94	-	-	-	-
Unused amounts reversed during the year #	13.64	23.01	11.52	0.45	6.79	0.33
Translation adjustment	(15.00)	4.34	-	-	-	-
Carrying amount at the end of the year	154.89	95.53	11.07	22.59	4.53	11.32

Nature of provisions	Liquidated damages		Other litigation claims		Environmental obligations	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Carrying amount at the beginning of the year	63.20	76.32	70.39	48.98	19.38	16.99
Additional provision made during the year #	16.27	19.13	47.05	13.33	-	-
Amounts used during the year	5.98	34.25	-	-	-	0.72
Unused amounts reversed during the year #	19.99	7.33	5.98	-	-	-
Translation adjustment	(6.06)	9.33	(14.74)	8.08	(3.56)	3.11
Carrying amount at the end of the year	47.44	63.20	96.72	70.39	15.82	19.38

Nature of provisions	Onerous contracts		Total	
	2014-15	2013-14	2014-15	2013-14
Carrying amount at the beginning of the year	16.82	14.39	299.23	265.71
Additional provision made during the year #	12.07	21.67	196.04	115.93
Amounts used during the year	0.13	0.69	38.76	57.60
Unused amounts reversed during the year #	15.34	19.53	73.26	50.65
Translation adjustment	(1.78)	0.98	(41.14)	25.84
Carrying amount at the end of the year	11.64	16.82	342.11	299.23

# Additional provision made during the year and reversal of unused amount are included in the respective head of accounts.

**(2) Nature of provisions:**

- Product warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is expected to be within a period of two years.
- Provision for sales tax /VAT represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Act / Rules.
- Provision for excise duty / customs duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.
- Provision for liquidated damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.
- Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.
- Provision for environmental obligations represents liabilities towards the costs expected to be incurred to treat contaminated soil / effluents at its manufacturing locations, wherever required by local law.
- Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

## NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	Gross block (Cost / Valuation)				Depreciation / Amortisation				Net block				
	As at 01-04-2014	On acquisition of subsidiaries	Additions	Deductions	Translation adjustments	As at 31-03-2015	Upto 31-03-2014	For the year	Deductions	Translation adjustments	Up to 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>13. FIXED ASSETS</b>													
<b>(i) Tangible assets</b>													
Freehold land	109.05	-	-	2.63	(17.29)	<b>89.13</b>	-	-	-	-	-	<b>89.13</b>	109.05
Leasehold land	17.55	-	20.98	0.78	0.47	<b>38.22</b>	3.27	0.15	-	-	<b>3.42</b>	<b>34.80</b>	14.28
Buildings	1167.20	-	26.58	13.38	(105.90)	<b>1074.50</b>	547.64	34.52	2.61	(58.71)	<b>520.84</b>	<b>553.66</b>	619.56
Plant and equipments	2121.73	-	106.33	37.00	(128.88)	<b>2062.18</b>	1380.88	104.90	33.97	(98.03)	<b>1353.78</b>	<b>708.40</b>	740.85
Furniture and fixtures	127.96	-	6.16	5.49	(9.93)	<b>118.70</b>	91.56	8.26	4.72	(9.39)	<b>85.71</b>	<b>32.99</b>	36.40
Office equipments	128.64	-	6.28	3.86	(12.08)	<b>118.98</b>	99.91	8.68	3.66	(11.03)	<b>93.90</b>	<b>25.08</b>	28.73
Vehicles	45.90	-	4.32	4.40	(5.03)	<b>40.79</b>	31.78	2.53	3.21	(3.59)	<b>27.51</b>	<b>13.28</b>	14.12
<b>Leased assets:</b>													
Buildings	<b>4.86</b>	-	-	-	-	<b>4.86</b>	1.31	0.08	-	-	<b>1.39</b>	<b>3.47</b>	3.55
Plant and equipments	20.92	-	-	-	(7.46)	<b>13.46</b>	16.59	0.07	-	(4.14)	<b>12.52</b>	<b>0.94</b>	4.33
<b>Sub-total (i)</b>	<b>3743.81</b>	-	<b>170.65</b>	<b>67.54</b>	<b>(286.10)</b>	<b>3560.82</b>	<b>2172.94</b>	<b>159.19</b>	<b>48.17</b>	<b>(184.89)</b>	<b>2099.07</b>	<b>1461.75</b>	<b>1570.87</b>
<b>(ii) Intangible Assets</b>													
Computer software	241.00	-	22.51	1.19	(22.53)	<b>239.79</b>	178.09	22.12	1.10	(15.30)	<b>183.81</b>	<b>55.98</b>	62.91
Technical know-how	66.16	-	15.73	-	(1.73)	<b>80.16</b>	30.23	13.20	-	(0.41)	<b>43.02</b>	<b>37.14</b>	35.93
Commercial rights	43.52	-	-	-	-	<b>43.52</b>	23.28	6.35	-	-	<b>29.63</b>	<b>13.89</b>	20.24
Research and development	316.05	-	94.95	1.84	(54.86)	<b>354.30</b>	190.95	39.39	0.55	(23.15)	<b>206.64</b>	<b>147.66</b>	125.10
Brand names and customer lists	353.90	-	0.48	-	(54.04)	<b>300.34</b>	86.99	24.94	-	(11.83)	<b>100.10</b>	<b>200.24</b>	266.91
<b>Sub-total (ii)</b>	<b>1020.63</b>	-	<b>133.67</b>	<b>3.03</b>	<b>(133.16)</b>	<b>1018.11</b>	<b>509.54</b>	<b>106.00</b>	<b>1.65</b>	<b>(50.69)</b>	<b>563.20</b>	<b>454.91</b>	<b>511.09</b>
<b>Total (i+ii)</b>	<b>4764.44</b>	-	<b>304.32</b>	<b>70.57</b>	<b>(419.26)</b>	<b>4578.93</b>	<b>2682.48</b>	<b>265.19</b>	<b>49.82</b>	<b>(235.58)</b>	<b>2662.27</b>		
Previous year	4085.05	14.79	294.39	46.03	416.24	4764.44	2229.19	263.17	41.11	231.23	2682.48		

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>14. NON-CURRENT INVESTMENTS</b>		
<b>Quoted investments</b>		
Investment in Government or trust securities	0.44	0.44
<b>Unquoted investments</b>		
Investment in Government or trust securities	4.34	3.37
<b>Investment in equity instruments</b>		
Associate companies {Refer note (b) below}	23.26	266.07
Others	252.37	8.01
<b>Investments in debentures or bonds</b>		
Others	0.06	0.06
<b>Others</b>	0.12	0.05
	<b>280.59</b>	<b>278.00</b>
<b>Notes:</b>		
<b>Quoted investments</b>		
Book value	0.44	0.44
Market value	0.44	0.44
<b>Unquoted investments</b>		
Book value	280.15	277.56

(a) Refer accounting policy note 1 (7) on valuation of investments, *supra*.

(b) Avantha Power and Infrastructure Limited ceased to be an associate company with effect from 1st April, 2014. The carrying cost of ₹ 244.36 crore which was accounted under equity method has been transferred from investment in associate to investment in others.

	As at 31-03-2015	As at 31-03-2014
<b>15. LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Capital advances	8.55	37.06
Deposits	15.15	12.83
	<b>23.70</b>	<b>49.89</b>

	As at 31-03-2015	As at 31-03-2014
<b>16. CURRENT INVESTMENTS</b>		
<b>Quoted investments</b>		
Investments in equity instruments	0.77	0.77
Investment in mutual funds	159.68	19.86
<b>Unquoted investments</b>		
Investment in Government or trust securities	0.37	0.26
	<b>160.82</b>	<b>20.89</b>
<b>Notes:</b>		
<b>Quoted investments</b>		
Book value	160.45	20.63
Market value	160.62	20.72
<b>Unquoted investments</b>		
Book value	0.37	0.26
Market value	0.37	0.26

Refer accounting policy note 1 (7) on valuation of investments, *supra*.



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2015	As at 31-03-2014
<b>17. INVENTORIES</b>		
Raw materials	468.00	523.60
Add: Goods-in-transit	37.84	64.25
	505.84	587.85
Work-in-progress - manufacturing	673.41	873.15
Finished goods - manufacturing	188.84	135.56
Add: Excise duty on finished goods	8.61	5.23
	197.45	140.79
Stock-in-trade	72.28	63.07
Stores, spares and packing materials	4.85	5.75
Loose tools	1.35	0.78
	1455.18	1671.39

Note: Refer accounting policy note 1 (8) on valuation of inventories, *supra*.

	As at 31-03-2015	As at 31-03-2014
<b>18. TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
<b>Debts overdue for six months:</b>		
Considered good	466.23	319.73
Considered doubtful	142.85	119.80
	609.08	439.53
Less: Allowance for doubtful debts	142.85	119.80
	466.23	319.73
<b>Other debts:</b>		
Considered good	3265.54	3271.52
	3731.77	3591.25

## NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2015	As at 31-03-2014
<b>19. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents:</b>		
<b>Balances with banks:</b>		
On current accounts	565.33	683.44
On deposit accounts {with less than 12 months maturity Refer note (a) below}	85.61	83.71
	650.94	767.15
Cash on hand	31.60	0.56
	682.54	767.71
<b>Other balances:</b>		
<b>Earmarked balances with banks:</b>		
Unpaid dividend {Refer note (b) below}	1.98	1.94
Unpaid matured fixed deposits and interest thereon {Refer note (b) below}	-	0.01
Others	3.03	40.19
	5.01	42.14
<b>Others</b>		
On deposit accounts {With more than 12 months maturity Refer note (a) below}	1.75	5.10
	6.76	47.24
	689.30	814.95

**Notes:**

- (a) Deposits include ₹ 3.60 crore (Previous year ₹ 3.60 crore) under lien with banks and ₹ 0.17 crore (Previous year ₹ 0.10 crore) balances held as margin monies.  
(b) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2015.

	As at 31-03-2015	As at 31-03-2014
<b>20. SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
<b>Security deposits:</b>		
Considered good	63.61	48.59
Considered doubtful	0.93	1.20
	64.54	49.79
Less: Allowance for bad and doubtful advances	0.93	1.20
	63.61	48.59
<b>Loans and advances to related parties:</b>		
Other related party	11.96	11.20
	11.96	11.20
<b>Advances recoverable in cash or in kind or for value to be received:</b>		
Considered good	632.31	280.37
Considered doubtful	2.81	4.19
	635.12	284.56
Less: Allowance for bad and doubtful advances	2.81	4.19
	632.31	280.37
<b>Balances with excise, customs, service tax and value added tax, etc.</b>	153.15	126.28
	861.03	466.44

	As at 31-03-2015	As at 31-03-2014
<b>21. OTHER CURRENT ASSETS</b>		
Interest accrued on investments and deposits	0.23	0.20
Due from customers (construction and project related activity)	413.28	255.96
Other receivables	73.96	67.05
	487.47	323.21

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	2014-15	2013-14
<b>22. REVENUE FROM OPERATIONS</b>		
Sale of products	12823.80	12782.48
Sale of services	118.70	171.31
Construction contracts	1450.94	1104.03
	14393.44	14057.82
Less: Excise duty	380.30	426.29
	14013.14	13631.53

	2014-15	2013-14
<b>23. OTHER INCOME</b>		
Interest income	39.65	39.96
Dividend income	-	0.05
Gain on sale of investments (net)	4.54	10.86
<b>Other non-operating income (net of expenses):</b>		
Income from lease of premises / business service centers	17.16	19.04
Government grant	14.33	19.26
Miscellaneous income	91.36	99.84
	167.04	189.01

	2014-15	2013-14
<b>24. COST OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS</b>		
Opening stock	587.85	604.93
Add: Purchases	6832.93	6888.14
Less: Closing stock	505.84	587.85
	6914.94	6905.22
Less: Scrap sales	96.30	109.87
	6818.64	6795.35
Add: Sub-contracting charges	392.42	397.77
	7211.06	7193.12

	2014-15	2013-14
<b>25. PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of stock-in-trade	2185.58	1993.21
	2185.58	1993.21

	2014-15	2013-14
<b>26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Changes in inventories of finished goods and work-in-progress:</b>		
<b>Closing stock</b>		
Finished goods	197.45	140.79
Work-in-progress	673.41	873.15
	870.86	1013.94
<b>Opening stock</b>		
Finished goods	140.79	148.83
Work-in-progress	873.15	799.26
	1013.94	948.09
	143.08	(65.85)
<b>Changes in inventories of stock-in-trade:</b>		
<b>Closing stock</b>		
Stock-in-trade	72.28	63.07
<b>Opening stock</b>		
Stock-in-trade	63.07	77.85
	(9.21)	14.78
	133.87	(51.07)

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	2014-15	2013-14
<b>27. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	1628.00	1559.53
Contribution to provident and other funds	213.51	245.39
Post retirement medical benefits	8.97	9.66
Staff welfare expenses	143.08	137.48
	<b>1993.56</b>	<b>1952.06</b>
<b>28. FINANCE COSTS</b>		
Interest on loans	144.34	136.62
	<b>144.34</b>	<b>136.62</b>
<b>29. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation expense	265.20	263.17
Less : Transitional provision for depreciation charge (Refer note 3(d), <i>supra</i> )	3.17	-
Less : Recoupment from revaluation reserve (Refer note 3(a), <i>supra</i> )	-	1.03
	<b>262.03</b>	<b>262.14</b>
<b>30. OTHER EXPENSES</b>		
Consumption of stores and spares	96.07	96.96
Power and fuel	100.56	104.12
Rent	92.17	92.19
Repairs to buildings	17.43	17.33
Repairs to machinery	56.27	54.36
Insurance	47.32	47.51
Rates and taxes	50.04	65.31
Freight and forwarding	387.77	375.23
Packing materials	105.77	92.93
After sales services including warranties	85.56	82.59
Sales promotion	108.96	118.04
Legal and professional charges	82.92	104.35
Miscellaneous expenses	615.79	681.25
	<b>1846.63</b>	<b>1932.17</b>

**NOTES** ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2015	As at 31-03-2014
<b>31. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>A Contingent Liabilities</b> (to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	<b>19.06</b>	9.18
(b) Sales tax / VAT liability that may arise in respect of matters in appeal	<b>35.01</b>	18.08
(c) Excise duty / customs duty / service tax liability that may arise in respect of matters in appeal	<b>8.83</b>	4.56
(d) Income tax liability that may arise in respect of matters in appeal	<b>8.69</b>	5.21
(e) Bills discounted	<b>34.72</b>	91.52
<b>B Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>21.35</b>	98.65

**Note:**

It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration/appellate proceedings.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

32. (a) In terms of Accounting Standard (AS) 21 Consolidated Financial Statements and Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2006 (as amended), the consolidated financial statements present the consolidated financial statements of Crompton Greaves Limited (the Parent Company) with its subsidiaries and associates as under:

Sr. No.		Country of Incorporation	Proportion of Ownership Interest (%) either directly or through subsidiary	
			As at 31-03-2015	As at 31-03-2014
<b>Subsidiaries</b>				
1	CG Energy Management Limited (amalgamated with the Company w.e.f. 25th March, 2015)	India	-	100.00
2	CG-ZIV Power Automation Solutions Limited (amalgamated with the Company w.e.f. 25th March, 2015)	India	-	100.00
3	CG Power Solutions Limited	India	100.00	100.00
4	Crompton Greaves Consumer Products Limited (incorporated on 19th September, 2014)	India	100.00	-
5	Crompton Greaves Consumer Electricals Limited (incorporated on 25th February, 2015)	India	100.00	-
6	CG International B.V.	The Netherlands	100.00	100.00
7	CG-PPI Adhesive Products Limited	India	81.42	81.42
8	CG Holdings Belgium N.V.	Belgium	100.00	100.00
9	CG Power Systems Belgium N.V.	Belgium	100.00	100.00
10	CG Power Systems Ireland Limited	Ireland	100.00	100.00
11	CG Sales Networks France SA	France	99.40	99.40
12	CG Power Systems Canada Inc.	Canada	100.00	100.00
13	PT. CG Power Systems Indonesia	Indonesia	95.00	95.00
14	CG Holdings Hungary Kft.	Hungary	100.00	100.00
15	CG Electric Systems Hungary Zrt.	Hungary	100.00	100.00
16	CG Power Holdings Ireland Limited (liquidated w.e.f. 11th April, 2014)	Ireland	100.00	100.00
17	Microsol Limited	Ireland	100.00	100.00
18	CG Automation Systems UK Limited	United Kingdom	100.00	100.00
19	CG Service Systems France SAS	France	100.00	100.00
20	CG Power USA Inc.	USA	100.00	100.00
21	CG Power Solutions UK Limited	United Kingdom	100.00	100.00
22	CG Power County LLC	USA	100.00	100.00
23	CG Power Systems Brazil Ltda	Brazil	100.00	100.00
24	CG Power Solutions Saudi Arabia Ltd	Saudi Arabia	51.00	51.00
25	Crompton Greaves Holdings Mauritius Limited	Mauritius	100.00	100.00
26	CG International Holdings Singapore Pte. Limited	Singapore	100.00	100.00
27	CG Industrial Holdings Sweden AB	Sweden	100.00	100.00
28	CG Drives and Automation Sweden AB	Sweden	100.00	100.00
29	CG Drives and Automation Netherlands B.V.	The Netherlands	100.00	100.00
30	CG Drives and Automations Germany GmbH	Germany	100.00	100.00
31	Emotron Latin America Inc. (liquidated w.e.f. 14th April, 2014)	USA	100.00	100.00
32	ZIV Aplicaciones y Tecnologia S.L.	Spain	100.00	100.00
33	ZIV Metering Solutions S.L.	Spain	100.00	100.00
34	ZIV Grid Automation S.L.	Spain	100.00	100.00
35	ZIV Communications S.A.	Spain	100.00	100.00
36	ZIV USA Inc. (liquidated w.e.f. 22nd April, 2014)	USA	100.00	100.00
37	ZIV Do Brasil Ltda	Brazil	100.00	100.00
38	ZIV I+D Smart Energy Networks	Spain	100.00	100.00
39	CG Middle East FZE	UAE	100.00	100.00
40	Crompton Greaves Sales Network Malaysia Sdn. Bhd.	Malaysia	100.00	100.00
41	PT Crompton Prima Switchgear Indonesia (incorporated on 12th May, 2014)	Indonesia	51.00	-

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

32. (a) In terms of Accounting Standard (AS) 21 Consolidated Financial Statements and Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2006 (as amended), the consolidated financial statements present the consolidated financial statements of Crompton Greaves Limited (the Parent Company) with its subsidiaries and associates as under:

Sr. No.		Country of Incorporation	Proportion of Ownership Interest (%) either directly or through subsidiary	
			As at 31-03-2015	As at 31-03-2014
<b>Associates:</b>				
1	CG Lucy Switchgears Limited	India	50.00	50.00
2	Avantha Power & Infrastructure Limited (ceased to be an associate w.e.f. from 1st April, 2014)	India	-	23.14
3	Pauwels Middle East Trading & Contracting (Pvt) Co. LLC	Sharjah	49.00	49.00
4	Saudi Power Transformers Co Ltd	Saudi Arabia	49.00	49.00
5	K. K. El-Fi Co. Ltd.	Japan	40.00	40.00

(b) The % of voting rights that Parent Company holds in all its subsidiaries is equal to the % of corresponding shareholding except in case of Serial No. 14 PT. CG Power Systems Indonesia. The Parent Company holds 95% of shareholding of PT. CG Power Systems Indonesia through its subsidiary CG Power Systems Belgium N.V. and balance 5% is held by other partner. However, the parent Company through its subsidiary CG Power Systems Belgium N.V., has 100% voting rights since 5% shares held by other partner has no voting rights.

(c) In the case of CG Power Solution Saudi Arabia Ltd and Saudi Power Transformer Co Ltd, the financial statements as at 31st December, 2014 have been considered. There were no material adjustments required for any significant events or transactions for the three months upto 31st March 2015.

(d) For the purposes of consolidation, the financial statements of the foreign subsidiaries and associates as at 31st March, 2015, have been restated to comply with the Generally Accepted Accounting Principles in India.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	2014-15	2013-14
<b>33. EXPENSES CAPITALISED DURING THE YEAR</b>		
(a) Raw materials consumed	5.55	6.15
(b) Employee benefits	16.83	23.89
(c) Other expenses	24.96	13.68
	<b>47.34</b>	<b>43.72</b>

	2014-15	2013-14
<b>34. DISCLOSURES UNDER ACCOUNTING STANDARD (AS) 7 CONSTRUCTION CONTRACTS</b>		
(a) Contract revenue recognised for the financial year	1607.72	1097.92
(b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	5244.31	4056.62
(c) Amount of customer advances outstanding for contracts in progress as at the reporting date	139.90	229.32
(d) Retention amount due from customer for contract in progress as at the reporting date	158.14	131.44



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****35. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS**

## (a) Defined contribution plans

Amount of ₹ 193.69 crore (Previous year ₹ 235.44 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer note 27, *supra*)

	2014-15	2013-14
<b>Benefits (Contribution to)</b>		
Provident fund	14.39	12.27
Superannuation fund	5.55	4.48
Employee state insurance scheme	0.38	0.60
Labour welfare scheme	0.02	0.02
Social security	173.35	218.07
<b>Total</b>	<b>193.69</b>	<b>235.44</b>

## (b) Defined Benefit Plans as per Actuarial Valuation are as under:

	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2014-15 (Funded)	2013-14 (Funded)	2014-15 (Nonfunded)	2013-14 (Nonfunded)	2014-15 (Nonfunded)	2013-14 (Nonfunded)
<b>I Change in present value of defined benefit obligation during the year</b>						
1 Present Value of defined benefit obligation at the beginning of the year	56.07	52.63	26.28	24.84	20.51	16.47
2 Interest cost	5.27	4.21	2.47	1.99	1.93	1.36
3 Current service cost	3.38	3.31	2.05	1.88	0.83	0.66
4 Past service cost	-	-	-	-	-	-
5 Liability transfer from other Company	-	0.04	-	0.03	-	-
6 Benefits paid	(13.05)	(6.03)	(6.63)	(3.87)	(6.48)	(5.62)
7 Actuarial (gains) / losses	6.66	1.91	5.73	1.41	6.21	7.64
8 Present Value of defined benefit obligation at the end of the year	58.33	56.07	29.90	26.28	23.00	20.51
<b>II Change in fair value of plan assets during the year</b>						
1 Fair value of plan assets at the beginning of the year	55.98	52.61	-	-	-	-
2 Expected return of plan assets	4.88	4.58	-	-	-	-
3 Contributions	10.43	4.18	-	-	-	-
4 Transfer from other company	-	-	-	-	-	-
5 Benefits paid from the fund	(13.05)	(6.03)	-	-	-	-
6 Actuarial gain / (loss)	(0.08)	0.64	-	-	-	-
7 Fair value of plan assets at the end of the year	58.16	55.98	-	-	-	-
8 Total actuarial gain/(loss) to be recognised	(6.74)	(1.27)	(5.73)	(1.41)	(6.21)	(7.64)
<b>III Actual return on plan assets</b>						
1 Expected return on plan assets	4.87	4.58	-	-	-	-
2 Actuarial gain / (loss)	(0.08)	0.64	-	-	-	-
3 Actual return on plan assets	4.79	5.22	-	-	-	-
<b>IV Net asset / (liability) recognised in the balance sheet</b>						
1 Present Value of defined benefit obligation at the end of the year	(58.33)	(56.07)	(29.90)	(26.28)	(23.00)	(20.51)
2 Fair value of plan assets at the end of the year	58.16	55.98	-	-	-	-
3 Amount recognised in the balance sheet:	(0.17)	(0.09)	(29.90)	(26.28)	(23.00)	(20.51)
Net (liability) / asset- Current	(0.17)	-	(3.21)	(3.50)	(1.47)	(1.27)
Net (liability) / asset- Non-current	-	(0.09)	(26.69)	(22.78)	(21.53)	(19.24)
<b>V Expenses recognised in the statement of profit and loss for the year</b>						
1 Current service cost	3.38	3.31	2.05	1.88	0.83	0.66
2 Interest cost	5.27	4.21	2.47	1.99	1.93	1.36
3 Expected return on plan assets	(4.87)	(4.58)	-	-	-	-
4 Actuarial (gains) / losses	6.73	1.27	5.73	1.41	6.21	7.64
5 Past service cost	(0.01)	-	-	-	-	-
6 Total expenses as per actuarial valuation	10.50	4.21	10.25	5.28	8.97	9.66
7 Optional payment	-	-	-	-	-	-
8 Total expenses included in employee benefits expense	10.50	4.21	10.25	5.28	8.97	9.66
<b>VI The major categories of plan assets as a percentage of total Insurer managed funds</b>	100%	100%	-	-	-	-

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****35. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS (Contd.)****(b) Defined Benefit Plans as per Actuarial Valuation are as under (Contd.)**

	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2014-15 (Funded)	2013-14 (Funded)	2014-15 (Nonfunded)	2013-14 (Nonfunded)	2014-15 (Nonfunded)	2013-14 (Nonfunded)
<b>VII Effect of one percent point change in the assumed medical inflation rate</b>						
(1) Increase / (decrease) on aggregate service and interest cost of Post Retirement Medical Benefits						
(i) One percentage point increase in discount rate	-	-	-	-	<b>(2.36)</b>	0.15
(ii) One percentage point decrease in discount rate	-	-	-	-	<b>2.93</b>	(0.13)
(2) Increase/(decrease) on present value of defined benefits obligation at the end of the year						
(i) One percentage point increase in Medical Inflation rate	-	-	-	-	<b>2.96</b>	1.93
(ii) One percentage point decrease in Medical Inflation rate	-	-	-	-	<b>(2.39)</b>	(1.58)
<b>VIII Experience adjustment</b>						
On plan liabilities - gain / (loss)	<b>(5.20)</b>	(6.17)	<b>(4.86)</b>	(1.40)	<b>(7.69)</b>	(9.76)
On plan assets - gain / (loss)	<b>(0.08)</b>	0.64	-	-	-	-
<b>IX Actuarial assumptions</b>						
1 Discount rate	<b>7.92% to 8.00% p.a.</b>	8.00% to 9.41% p.a.	<b>7.92% p.a.</b>	9.32% to 9.41% p.a.	<b>7.92% p.a.</b>	9.41% p.a.
2 Rate of return on plan assets	<b>7.92% p.a.</b>	8.70% p.a.	-	-	-	-
3 Salary escalation	<b>5.00% to 6.00% p.a.</b>	5.00% to 6.00% p.a.	<b>6.00% p.a.</b>	6.00% p.a.	-	-
4 Mortality pre retirement rate	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate	-	-
5 Mortality post retirement rate	-	-	-	-	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate
6 Medical premium inflation rate	-	-	-	-	<b>2.00% p.a.</b>	4.00% p.a.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****35. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS (Contd.)****(b) Defined Benefit Plans as per Actuarial Valuation are as under (Contd.)**

	Pension	
	2014-15 (Funded)	2013-14 (Funded)
<b>I Change in present value of defined benefit obligation during the year</b>		
1 Present Value of defined benefit obligation at the beginning of the year	206.53	178.44
2 Interest cost	9.30	8.85
3 Current service cost	6.29	6.74
4 Past service cost	-	0.66
5 Benefits paid	(13.20)	(11.62)
6 Actuarial (gains) / losses	23.30	13.81
7 Curtailment Loss	-	(0.58)
8 Settlement payment	(5.24)	-
9 Employee contributions	0.99	0.96
10 Translation difference	(17.02)	9.27
11 Present Value of defined benefit obligation at the end of the year	210.95	206.53
<b>II Change in fair value of assets during the year</b>		
1 Fair value of plan assets at the beginning of the year	202.10	171.27
2 Expected return of plan assets	8.37	7.30
3 Contributions	12.85	9.44
4 Benefits paid	(13.20)	(11.62)
5 Actuarial gain / (loss)	18.8	16.88
6 Translation difference	(22.91)	8.83
7 Settlement payment	(5.24)	-
8 Fair value of plan assets at the end of the year	200.77	202.10
9 Total actuarial gain/(loss) to be recognised	(4.50)	3.07
<b>III Actual return on plan assets</b>		
1 Expected return on plan assets	8.37	7.30
2 Actuarial gain / (loss)	18.80	16.88
3 Actual return on plan assets	27.17	24.18
<b>IV Net asset / (liability) recognised in the balance sheet</b>		
1 Liability at the end of the year	210.95	206.53
2 Fair value of plan assets at the end of the year	200.77	202.10
3 Net liability at the end of the year	10.18	4.43
4 Related deferred tax (asset) / liability	-	(0.22)
5 Amount recognised in the balance sheet	10.18	4.21
<b>V Expenses recognised in the statement of profit and loss for the year</b>		
1 Current service cost	6.29	6.74
2 Interest cost	9.30	8.85
3 Expected return on plan assets	(8.37)	(7.30)
4 Actuarial (gains) / losses	2.06	(3.07)
5 Past service cost	0.02	0.66
6 Curtailment Loss	-	(0.58)
7 Effect of changes in foreign exchange	0.50	0.44
8 Total expenses as per actuarial valuation	9.80	5.74
9 Total expenses included in employee benefits	9.80	5.74
<b>VI The major categories of plan assets as a percentage of total:</b>		
Insurer managed funds		
Equity instruments	47%	47%
Debt instruments	45%	45%
Insurer managed funds	7%	7%
Cash	1%	1%
<b>VII Experience adjustment</b>		
On plan liabilities - gain / (loss)	(12.03)	(13.35)
On plan assets - gain / (loss)	7.40	15.60
<b>VIII Actuarial assumptions</b>		
1 Discount rate	1.80% - 7.50% p.a.	3.95% - 8.60% p.a.
2 Rate of return on plan assets	5.00% - 8.00% % p.a.	2.90% - 6.65% % p.a.
3 Salary escalation	1.90% - 7.50% p.a.	3.00% - 7.50% p.a.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****36. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING****I Primary Segments (Business Segments)**

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2014-15
<b>Revenue</b>						
External sales (net of excise duty)	8572.99	3231.78	1789.63	418.74		14013.14
Inter segment sales	0.97	0.87	51.30		(53.14)	-
<b>Total</b>	<b>8573.96</b>	<b>3232.65</b>	<b>1840.93</b>	<b>418.74</b>	<b>(53.14)</b>	<b>14013.14</b>
Segment results	134.93	401.35	140.04	(37.86)		638.46
Less: Finance costs						104.69
Less: Other unallocable expenditure net of unallocable income						130.66
Profit from ordinary activities after finance costs but before exchange gain / (loss), exceptional items and tax						403.11
Exchange gain / (loss)						(47.42)
Exceptional items (net)						90.38
Prior period items						(17.72)
Profit before tax						428.35
Tax expense						221.99
Profit after tax						206.36
<b>Capital Employed:</b>						
Segment assets	7183.34	680.97	1219.72	296.98	1298.94	10679.95
Segment liabilities	3097.29	1240.03	328.84	45.82	195.63	4907.61
<b>Net Assets</b>	<b>4086.05</b>	<b>(559.06)</b>	<b>890.88</b>	<b>251.16</b>	<b>1103.31</b>	<b>5772.34</b>
Capital expenditure	154.92	4.31	25.59	5.97	21.84	212.63
Depreciation and amortisation	193.02	12.24	39.78	2.41	14.58	262.03
Non-cash expenses other than depreciation	38.07	6.31	4.84	0.50	-	49.72

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2013-14
<b>Revenue</b>						
External sales (net of excise duty)	8531.29	2897.16	1808.89	394.19	-	13631.53
Inter segment sales	4.82	1.34	48.49	0.00	(54.65)	-
<b>Total</b>	<b>8536.11</b>	<b>2898.50</b>	<b>1857.38</b>	<b>394.19</b>	<b>(54.65)</b>	<b>13631.53</b>
Segment results	234.08	337.46	128.24	2.31		702.09
Less: Finance costs						96.66
Less: Other unallocable expenditure net of unallocable income						203.14
Profit from ordinary activities after finance costs but before exchange gain / (loss), exceptional items and tax						402.29
Exchange gain / (loss)						92.43
Exceptional items						-
Prior period items						-
Profit before tax						494.72
Tax expense						236.05
Profit after tax						258.67
<b>Capital Employed:</b>						
Segment assets	7483.48	628.01	1322.10	242.82	998.75	10675.16
Segment liabilities	3584.97	506.85	371.14	31.10	281.97	4776.03
<b>Net Assets</b>	<b>3898.51</b>	<b>121.16</b>	<b>950.96</b>	<b>211.72</b>	<b>716.78</b>	<b>5899.13</b>
Capital expenditure	185.94	28.65	47.54	15.36	18.78	296.27
Depreciation and amortisation	194.09	10.30	41.99	1.48	14.28	262.14
Non-cash expenses other than depreciation	(0.37)	4.71	10.20	0.20	-	14.74

\* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Tax credit assets / liabilities are not considered in capital employed.

**NOTES** ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**36. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING (Contd.)****II Secondary Segments (Geographical Segments)****(a) Segment revenue by location of customers:**

	2014-15	2013-14
<b>Sales and service revenue:</b>		
Domestic	6880.72	6659.14
Overseas	7132.42	6972.39
<b>Total</b>	<b>14013.14</b>	<b>13631.53</b>

**(b) Cost incurred on acquisition of tangible and intangible assets:**

	2014-15	2013-14
Domestic	80.20	134.03
Overseas	132.43	162.24
<b>Total</b>	<b>212.63</b>	<b>296.27</b>

**(c) The carrying amount of segment assets by location of assets:**

	As at 31-03-2015	As at 31-03-2014
Domestic	4972.93	4295.30
Overseas	5707.02	6379.86
<b>Total</b>	<b>10679.95</b>	<b>10675.16</b>

**III Continent-wise sales:**

	2014-15	2013-14
<b>Continents:</b>		
Asia	8533.54	8348.95
Africa	525.84	436.12
North America	1571.05	1521.77
South America	308.78	386.11
Europe	2927.48	2751.15
Australia	146.45	187.43
<b>Total</b>	<b>14013.14</b>	<b>13631.53</b>

**IV Unallocable assets / liabilities exclude:**

	As at 31-03-2015	As at 31-03-2014
<b>Liabilities:</b>		
Long term borrowings	1270.19	1632.25
Deferred tax liabilities	200.60	187.83
Short term borrowings	622.57	560.77
Current maturities of long-term borrowings	154.40	202.97
<b>Total</b>	<b>2247.76</b>	<b>2583.82</b>
<b>Assets:</b>		
Deferred tax assets	311.64	341.00
<b>Total</b>	<b>311.64</b>	<b>341.00</b>

**36. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING (Contd.)**

**V Segment Identification, Reportable Segment and definition of each Reportable Segment:**

(a) Primary segment:

In the opinion of the management, the business segment comprises the following :

- (i) Power Systems : Transformer, Switchgear, Turnkey Projects and Power SCADA (Supervisory control and data acquisition systems)
- (ii) Consumer Products : Fans, Appliances, Luminaires, Light Sources and Pumps
- (iii) Industrial Systems : Electric Motors, Alternators, Drives, Drives solutions, Traction Electronics and SCADA
- (iv) Others : Power Distribution, Self Adhesive Tapes and Speciality Lables

(b) Primary / Secondary segment reporting format:

- (i) The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.
- (ii) In respect of secondary segment information, the management has identified its geographical segments as (a) Domestic and (b) Overseas. The secondary segment information has been disclosed accordingly.

(c) Segment identification:

Business segments have been identified on the basis of the nature of products / services, the risk-return profile of individual businesses, the organizational structure and the internal reporting system of the Company.

(d) Reportable segments:

Reportable segments have been identified as per the quantitative criteria specified in the Accounting Standard.

(e) Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(f) Segment assets and liabilities:

Segment assets include all operating assets used by the business segment and mainly consist of fixed assets, trade receivables and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

(g) Inter-segment transfer:

Inter-segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter-segment transfers are eliminated at the Company level.

**37. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES**

**(a) List of related parties with whom transactions were carried out during the year and description of relationship:**

**(i) Associate:**

- 1 CG Lucy Switchgear Limited

**(ii) Key Management Personnel:**

- 1 Gautam Thapar - Chairman and Promoter Director
- 2 Laurent Demortier - CEO & Managing Director
- 3 Madhav Acharya - Chief Financial Officer
- 4 Minal Bhosale - Company Secretary

**(iii) Other Related Parties in which directors are interested:**

- 1 Ballarpur Industries Limited
- 2 Solaris ChemTech Industries Limited
- 3 BILT Graphic Paper Products Limited
- 4 Avantha Holdings Limited
- 5 Avantha Business Solutions Limited (formerly Salient Business Solutions Limited)
- 6 Avantha Realty Limited
- 7 Sabah Forest Industries Sdn. Bhd.
- 8 Malanpur Captive Power Limited
- 9 Corella Investments Limited
- 10 Lustre International Limited
- 11 Ambuja Cements Limited
- 12 Asahi India Glass Limited
- 13 Avantha Foundation
- 14 Thermax Limited
- 15 Infosys Limited
- 16 Varun Prakashan Private Limited
- 17 Korba West Power Company Limited
- 18 KEC International Limited
- 19 Jhabua Power Limited

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****37. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)**

(b) The following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Nature of transaction / relationship	2014-15	2013-14
<b>1</b>	<b>Purchase of goods and services</b>		
	<b>Associate</b>		
	CG Lucy Switchgear Limited	157.52	113.87
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.03	0.09
	Ambuja Cements Limited	1.03	-
	BILT Graphic Paper Products Limited	0.03	0.47
	<b>Total</b>	<b>158.61</b>	<b>114.43</b>
<b>2</b>	<b>Sales of goods and services</b>		
	<b>Associate</b>		
	CG Lucy Switchgear Limited	10.81	10.40
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.15	0.60
	Solaris ChemTech Industries Limited	0.03	0.13
	BILT Graphic Paper Products Limited	0.51	0.63
	Avantha Holdings Limited	-	0.01
	Korba West Power Company Limited	5.12	9.12
	Asahi India Glass Limited	2.18	-
	Thermax Limited	2.02	-
	KEC International Limited	1.18	-
	Infosys Limited	1.96	-
	Sabah Forest Industries Sdn. Bhd.	0.56	0.37
	Jhabua Power Limited	2.86	5.14
	<b>Total</b>	<b>27.38</b>	<b>26.40</b>
<b>3</b>	<b>Interest expenses</b>		
	<b>Associate</b>		
	CG Lucy Switchgear Limited	0.86	0.36
	<b>Total</b>	<b>0.86</b>	<b>0.36</b>
<b>4</b>	<b>Rental income</b>		
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	1.79	0.85
	Thermax Limited	0.01	-
	Solaris ChemTech Industries Limited	-	0.30
	BILT Graphic Paper Products Limited	-	1.12
	<b>Total</b>	<b>1.80</b>	<b>2.27</b>
<b>5</b>	<b>Interest income</b>		
	<b>Other Related Party</b>		
	Malanpur Captive Power Limited	0.85	0.83
	<b>Total</b>	<b>0.85</b>	<b>0.83</b>
<b>6</b>	<b>Payment of salaries, commission and perquisites</b>		
	<b>Key Management Personnel</b>		
	Gautam Thapar	3.96	5.21
	Laurent Demortier	6.56	8.79
	Madhav Acharya	3.09	2.73
	Minal Bhosale	0.56	0.50
	<b>Total</b>	<b>14.17</b>	<b>17.23</b>

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****37. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)**

(b) The following transactions were carried out with the related parties in the ordinary course of business (Contd.)

Sr. No.	Nature of transaction / relationship	2014-15	2013-14
<b>7</b>	<b>Dividend paid</b>		
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	18.86	30.71
	Avantha Realty Limited	0.00	0.00
	Corella Investments Limited	0.29	0.87
	Lustre International Limited	0.17	0.52
	Varun Prakashan Private Limited	0.00	0.00
	<b>Total</b>	<b>19.32</b>	<b>32.10</b>
<b>8</b>	<b>Rent paid</b>		
	<b>Other Related Party</b>		
	Avantha Realty Limited	2.04	2.04
	<b>Total</b>	<b>2.04</b>	<b>2.04</b>
<b>9</b>	<b>Other expenses</b>		
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	70.24	67.64
	Avantha Business Solutions Limited	0.94	1.13
	Avantha Foundation	4.78	-
	Avantha Realty Limited	0.58	0.47
	<b>Total</b>	<b>76.54</b>	<b>69.24</b>

(c) Amount due to / from related parties:

Sr. No.	Nature of transaction / relationship	As at 31-03-2015	As at 31-03-2014
<b>1</b>	<b>Accounts payable</b>		
	<b>Associates</b>		
	CG Lucy Switchgear Limited	28.27	35.15
	Saudi Power Transformers Company Limited	1.84	0.72
	Pauwels Middle East Trading & Contracting (Pvt.) Co. LLC	-	1.54
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.00	0.00
	Avantha Holdings Limited	-	0.09
	Ambuja Cement Limited	0.00	-
	Avantha Business Solutions Limited	0.17	0.20
	<b>Total</b>	<b>30.28</b>	<b>37.70</b>
<b>2</b>	<b>Accounts receivable</b>		
	<b>Associates</b>		
	CG Lucy Switchgear Limited	3.26	2.60
	Avantha Power & Infrastructure Limited	-	0.00
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.30	0.38
	Solaris ChemTech Industries Limited	0.11	0.17
	BILT Graphic Paper Products Limited	2.55	1.99
	Avantha Power Limited	0.00	-
	Avantha Holdings Limited	-	0.00
	Infosys Limited	1.27	-
	Asahi India Glass Limited	0.00	-
	Thermax Limited	1.09	-
	Ambuja Cement Limited	0.05	-
	Korba West Power Company Limited	-	10.48
	Sabah Forest Industries Sdn. Bhd.	0.03	0.17
	Jhabua Power Limited	13.75	8.34
	<b>Total</b>	<b>22.41</b>	<b>24.13</b>



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****37. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)****(c) Amount due to / from related parties (Contd.)**

Sr. No.	Nature of transaction / relationship	As at 31-03-2015	As at 31-03-2014
<b>3</b>	<b>Loans and advances receivable</b>		
	<b>Other Related Party</b>		
	Malanpur Captive Power Limited	11.96	11.20
	<b>Total</b>	<b>11.96</b>	<b>11.20</b>
<b>4</b>	<b>Loans and advances payable</b>		
	<b>Other Related Parties</b>		
	Solaris ChemTech Industries Limited	0.10	0.13
	Jhabua Power Limited	0.84	-
	Avantha Realty Limited	1.61	-
	Korba West Power Company Limited	-	3.54
	<b>Total</b>	<b>2.55</b>	<b>3.67</b>
<b>5</b>	<b>Dividend payable</b>		
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	-	10.24
	Avantha Realty Limited	-	0.00
	Corella Investments Limited	-	0.29
	Lustre International Limited	-	0.17
	Varun Prakashan Private Limited	-	0.00
	<b>Total</b>	<b>-</b>	<b>10.70</b>
<b>6</b>	<b>Due to Key Management Personnel</b>		
	Gautam Thapar	3.96	5.21
	Laurent Demortier	3.64	5.46
	<b>Total</b>	<b>7.60</b>	<b>10.67</b>

**Note :** No amounts have been written off or written back during the year.

**38. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 19 LEASES****Operating Leases:**

- (i) The Company has taken various residential / commercial premises and plant and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry.
- (ii) (a) The Company has taken certain assets on non-cancellable operating lease, the future minimum lease payment in respect of which are as follows:

	Minimum lease payments	
	2014-15	2013-14
Due within one year	19.88	20.93
Due one to five years	37.62	20.36
Due beyond five years	0.79	2.95
<b>Total</b>	<b>58.29</b>	<b>44.24</b>

- (b) The lease agreements provide for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional / restrictive covenants in the lease agreements.
- (iii) Lease rental expense in respect of operating leases is ₹ 30.62 crore (Previous year ₹ 26.34 crore).

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****39. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 20 EARNINGS PER SHARE**

		2014-15	2013-14
Profit for the year	₹ crore	<b>209.35</b>	244.33
Weighted average number of equity shares outstanding	Nos.	<b>626716142</b>	633254604
Face value of equity share	₹ / share	<b>2.00</b>	2.00
Weighted average earnings per share (basic and diluted)	₹	<b>3.34</b>	3.86

**40. DISCONTINUING OPERATIONS**

The Board of Directors of the Company at its meeting held on 19th February, 2015 has approved the Scheme of Arrangement between Crompton Greaves Limited (CGL) (Demerged Company) and Crompton Greaves Consumer Electricals Limited (CGCEL) (Resulting Company), a wholly-owned subsidiary, incorporated under the provisions of the Companies Act, 2013 and their respective shareholders and creditors.

This Scheme, *inter-alia*, envisages the transfer of the Consumer Products Business and the related assets and liabilities into the Resulting Company and other consequential matters under the provisions of Sections 391 to 394 of the Companies Act, 1956 read with Section 78 (corresponding Section 52 of the Companies Act, 2013), Sections 100-103 and other applicable provisions of the said Act.

The proposed Scheme will come into effect from the Appointed Date, i.e. 1st October, 2015, subject to receipt of all regulatory approvals. Upon the implementation of the proposed Scheme, all the shares in the Resulting Company will be held directly by the shareholders of CGL and CGL will cease to be the shareholder / holding company of CGCEL.

In line with Accounting Standard (AS) 24 Discontinuing Operations, the financial results of Consumer Products Business for the year ended 31st March, 2015 are given below:

	2014-15	2013-14
Revenue (including other income)	<b>3232.65</b>	2898.50
Expenses	<b>2838.39</b>	2565.61
Profit before tax	<b>394.26</b>	332.89
Tax expense	<b>126.71</b>	96.19
Profit after tax	<b>267.55</b>	236.70
Total Assets	<b>681.91</b>	628.01
Total Liabilities	<b>1240.07</b>	506.85
Net cash inflow / (outflow) from operating activities	<b>385.09</b>	352.70
Net cash inflow / (outflow) from investing activities	<b>3.60</b>	(24.04)
Net cash inflow / (outflow) from financing activities	<b>689.49</b>	(0.74)

**41. EXCEPTIONAL ITEMS FOR THE YEAR ENDED 31ST MARCH, 2015 INCLUDE THE FOLLOWING:**

- Profit on sale of portion of land at Kanjurmarg, Mumbai ₹ 278.15 crore
- Compensation to employees pursuant to Voluntary Retirement Scheme amounting to ₹ 18.10 crore
- During the year, there has been sales return from a customer on account of cancellation of Sale Order pertaining to sales made during last year. The net loss in connection with this transaction is ₹ 82.09 crore (inclusive of reversal of margin and write-off of inventory).
- ₹ 22.34 crore represents interest portion of the claim by the customer for supply of product, prior to acquisition of concerned company by CGL, which has been awarded in favour of the customer in the arbitration. The current provision along with the provisions made in earlier years is sufficient to cover all liabilities (Claim, interest and legal fees) in relation to the legal case.
- ₹ 65.24 crore represents the warranty claim towards replacement / repairs of certain type of transformers supplied in the earlier year.

	Year ended	
	31-03-2015	31-03-2014
<b>42. PRIOR PERIOD ITEMS INCLUDE</b>		
(a) Volume discount on sales	<b>6.41</b>	-
(b) Legal claim	<b>9.42</b>	-
(c) Liquidated damages	<b>1.89</b>	-
<b>Total</b>	<b>17.72</b>	-

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****43. FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES:**

The Group has adopted the principles of hedge accounting as per the Accounting Standard (AS) 30 Financial Instrument: Recognition and Measurement, in respect of those derivative transaction which are not covered by the existing Accounting Standard (AS) 11. This treatment has resulted in a net gain of ₹ 2.51 crore (Previous year gain of ₹ 1.13 crore) arising due to change in the fair value of derivatives has been recognised in the shareholders fund as a cash flow hedge.

The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2015 are as under

Sr. No.	Category of Derivative Instruments	As at 31-03-2015	As at 31-03-2014
<b>1</b>	<b>For hedging foreign currency risks:</b>		
	(a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	725.75	785.07
	(b) Forward contracts for payable including firm commitments and highly probable forecasted transactions	497.97	224.35
<b>2</b>	<b>For hedging commodity price risks</b>		
	Commodity futures	60.72	94.73
	Swap	14.43	-
<b>3</b>	<b>Particulars of Unhedged foreign currency exposure as at the balance sheet date:</b>		
	(a) Trade receivables	46.28	129.95
	(b) Trade payables	153.75	314.32
	(c) Loans payables	-	184.27
	(d) Bank balance in current accounts and term deposit accounts	28.45	40.37
	(e) Investments in overseas associates	-	3.60

44. Amounts shown as ₹ 0.00 represent amounts below ₹ 50,000 (Rupees Fifty Thousand).

45. Figures of the previous year have been regrouped wherever necessary.

**Signatures to Notes 1 to 45****SHARP & TANNAN****CHARTERED ACCOUNTANTS**

Firm's Registration No. 109982W

by the hand of

**Milind P. Phadke**

**PARTNER**

Membership No. 033013

Mumbai, 28th May, 2015

**Madhav Acharya**

**CHIEF FINANCIAL OFFICER**

**Minal Bhosale**

**COMPANY SECRETARY**

Mumbai, 28th May, 2015

**Laurent Demortier**

**CEO & MANAGING DIRECTOR**

**Gautam Thapar**

**CHAIRMAN**

**ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ASSOCIATES FOR YEAR ENDED 31ST MARCH, 2015**

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore
<b>Parent :</b>				
<b>Crompton Greaves Limited</b>	104.52	4009.63	349.24	731.14
<b>Subsidiaries:</b>				
<b>Indian:</b>				
1 CG-PPI Adhesive Products Limited	0.38	14.66	0.45	0.94
2 CG Power Solutions Limited	(0.79)	(30.11)	(6.11)	(12.79)
3 Crompton Greaves Consumer Products Limited	0.03	1.13	(0.98)	(2.05)
4 Crompton Greaves Consumer Electricals Limited	(0.05)	(1.84)	(0.90)	(1.89)
<b>Foreign:</b>				
1 CG International B.V.	(4.89)	(187.44)	1.98	4.14
2 CG Holdings Belgium N.V.	11.33	434.70	(48.85)	(102.26)
3 CG Power Systems Belgium N.V.	(22.01)	(844.53)	(44.47)	(93.10)
4 CG Power Systems Ireland Limited	6.64	254.61	4.21	8.82
5 CG Sales Networks France SA	0.13	4.86	0.06	0.12
6 CG Power Systems Canada Inc.	(2.32)	(89.18)	(23.77)	(49.76)
7 PT. CG Power Systems Indonesia	14.42	552.99	26.85	56.21
8 CG Holdings Hungary Kft.	1.23	47.08	0.58	1.21
9 CG Electric Systems Hungary Zrt.	(6.88)	(263.75)	(136.01)	(284.74)
10 Microsol Limited	0.00	-	0.00	(0.01)
11 CG Automation Systems UK Limited	(1.96)	(75.12)	1.56	3.27
12 CG Service Systems France SAS	0.04	1.57	(1.33)	(2.78)
13 CG Power USA Inc.	6.48	248.69	(3.59)	(7.52)
14 CG Power Solutions UK Limited	(0.84)	(32.40)	(37.75)	(79.02)
15 CG Power County LLC	(1.01)	(38.77)	(0.02)	(0.04)
16 CG Power Systems Brazil Ltda	(2.54)	(97.35)	(10.17)	(21.30)
17 CG Power Solutions Saudi Arabia Ltd	0.26	9.89	(0.79)	(1.65)
18 CG Industrial Holdings Sweden AB	(4.69)	(179.91)	(7.52)	(15.74)
19 CG Drives and Automation Sweden AB	4.66	178.95	9.82	20.56
20 CG Drives and Automation Netherlands B.V.	0.44	16.89	1.67	3.50
21 CG Drives and Automation Germany GmbH	0.16	6.02	0.54	1.12
22 ZIV Aplicaciones y Tecnologia S.L.	9.12	349.69	(9.77)	(20.46)
23 ZIV Metering Solutions S.L.	3.75	143.75	9.27	19.40
24 ZIV Grid Automation S.L.	2.41	92.31	(5.94)	(12.44)
25 ZIV Communications S.A.	0.05	1.90	0.35	0.72
26 ZIV Do Brazil Ltda	(0.07)	(2.68)	(0.26)	(0.55)
27 ZIV I+D Smart Energy Networks	0.12	4.71	0.82	1.72
28 CG Middle East FZE	0.25	9.69	28.64	59.96
29 Crompton Greaves Holdings Mauritius Limited	0.01	0.28	0.01	0.02
30 CG International Holdings Singapore Pte. Limited	(0.01)	(0.23)	(0.05)	(0.10)
31 CG Sales Network Malaysia Sdn.Bhd.	0.01	0.34	(0.03)	(0.07)
32 PT Crompton Prima Switchgear Indonesia	0.63	24.15	(0.05)	(0.11)
<b>Minority Interest in All subsidiaries</b>	0.53	20.30	(0.69)	(1.44)
<b>Associates (Investment as per equity method)</b>				
<b>Associate:</b>				
<b>Indian:</b>				
1 CG Lucy Switchgear Limited	0.63	24.06	2.36	4.95
<b>Foreign:</b>				
1 Saudi Power Transformers Co Ltd	-	-	-	-
2 Pauwels Middle East Trading & Contracting (Pvt) Co. LLC	0.00	(0.12)	0.04	0.08
3 K.K. El-Fi Co. Ltd.	-	-	-	-

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# ACCOUNTS IN FOREIGN CURRENCY

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**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2015**

	As at 31-03-2015		As at 31-03-2014	
	USD million	USD million	USD million	USD million
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS:</b>				
(a) Share capital	20.06		20.92	
(b) Reserves and surplus	621.51		539.26	
		641.57		560.18
<b>2. NON-CURRENT LIABILITIES:</b>				
(a) Long-term borrowings	101.48		0.09	
(b) Deferred tax liabilities (net)	10.88		12.28	
(c) Other long-term liabilities	0.45		1.56	
(d) Long-term provisions	7.72		7.00	
		120.53		20.93
<b>3. CURRENT LIABILITIES:</b>				
(a) Short-term borrowings	3.44		5.01	
(b) Trade payables	229.07		260.90	
(c) Other current liabilities	65.34		63.75	
(d) Short-term provisions	14.14		21.75	
		311.99		351.41
<b>TOTAL</b>		<b>1074.09</b>		<b>932.52</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS:</b>				
(a) Fixed assets				
(i) Tangible assets	105.42		112.54	
(ii) Intangible assets	11.94		13.47	
(iii) Capital work-in-progress	3.97		7.08	
(iv) Intangible assets under development	4.84		4.22	
(b) Non-current investments	160.81		134.49	
(c) Long-term loans and advances	3.70		7.12	
		290.68		278.92
<b>2. CURRENT ASSETS:</b>				
(a) Current investments	25.67		3.44	
(b) Inventories	83.81		93.10	
(c) Trade receivables	362.21		318.47	
(d) Cash and bank balances	48.39		73.91	
(e) Short-term loans and advances	245.43		148.57	
(f) Other current assets	17.90		16.11	
		783.41		653.60
<b>TOTAL</b>		<b>1074.09</b>		<b>932.52</b>

**Note:** Closing exchange rate considered for 1 USD as at 31st March, 2015 is ₹ 62.4973 and as at 31st March, 2014 is ₹ 59.9100

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	2014-15		2013-14	
	USD million	USD million	USD million	USD million
<b>INCOME:</b>				
Sales and services	1344.46		1324.38	
Less: Excise duty	62.01		70.07	
Revenue from operations		1282.45		1254.31
Other income		29.34		21.94
<b>TOTAL REVENUE</b>		<b>1311.79</b>		<b>1276.25</b>
<b>EXPENSES:</b>				
Cost of raw materials and components consumed and construction materials	595.19		599.35	
Purchases of stock-in-trade	353.26		330.23	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	4.27		(2.12)	
Employee benefits expense	85.58		78.92	
Finance costs	8.08		6.59	
Depreciation and amortisation expense	15.77		14.81	
Other expenses	137.24		145.74	
<b>TOTAL EXPENSES</b>		<b>1199.39</b>		<b>1173.52</b>
<b>PROFIT BEFORE EXCHANGE GAIN / (LOSS), EXCEPTIONAL ITEMS AND TAX</b>		<b>112.40</b>		<b>102.73</b>
Exchange gain / (loss)		(7.76)		15.31
Exceptional items (net)		42.55		-
<b>PROFIT BEFORE TAX</b>		<b>147.19</b>		<b>118.04</b>
<b>TAX EXPENSE:</b>				
Current tax	28.32		27.77	
Deferred tax	(0.77)		3.94	
		27.55		31.71
<b>PROFIT AFTER TAX</b>		<b>119.64</b>		<b>86.33</b>
<b>PROFIT FROM CONTINUING OPERATIONS AFTER TAX</b>		<b>75.55</b>		<b>47.12</b>
<b>PROFIT FROM DISCONTINUING OPERATIONS BEFORE TAX</b>	64.98		55.15	
Tax expense of discontinuing operations	20.89		15.94	
<b>PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX</b>		<b>44.09</b>		<b>39.21</b>
<b>PROFIT FOR THE YEAR</b>		<b>119.64</b>		<b>86.33</b>
Earnings per share (basic and diluted) (in USD)		<b>0.19</b>		0.14

**Note:** Average exchange rate considered for 1 USD for 2014-15 is ₹ 61.1097 and for 2013-14 is ₹ 60.3575

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2015**

	As at 31-03-2015		As at 31-03-2014	
	Euro million	Euro million	Euro million	Euro million
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS:</b>				
(a) Share capital	18.67		15.24	
(b) Reserves and surplus	578.53		392.74	
		597.20		407.98
<b>2. NON-CURRENT LIABILITIES:</b>				
(a) Long-term borrowings	94.47		0.07	
(b) Deferred tax liabilities (net)	10.13		8.95	
(c) Other long-term liabilities	0.42		1.14	
(d) Long-term provisions	7.18		5.09	
		112.20		15.25
<b>3. CURRENT LIABILITIES:</b>				
(a) Short-term borrowings	3.20		3.65	
(b) Trade payables	213.22		190.01	
(c) Other current liabilities	60.82		46.43	
(d) Short-term provisions	13.17		15.84	
		290.41		255.93
<b>TOTAL</b>		<b>999.81</b>		<b>679.16</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS:</b>				
(a) Fixed assets				
(i) Tangible assets	98.12		81.96	
(ii) Intangible assets	11.11		9.81	
(iii) Capital work-in-progress	3.70		5.16	
(iv) Intangible assets under development	4.50		3.08	
(b) Non-current investments	149.69		97.94	
(c) Long-term loans and advances	3.45		5.19	
		270.57		203.14
<b>2. CURRENT ASSETS:</b>				
(a) Current investments	23.90		2.51	
(b) Inventories	78.01		67.81	
(c) Trade receivables	337.16		231.93	
(d) Cash and bank balances	45.05		53.83	
(e) Short-term loans and advances	228.46		108.20	
(f) Other current assets	16.66		11.74	
		729.24		476.02
<b>TOTAL</b>		<b>999.81</b>		<b>679.16</b>

**Note:** Closing exchange rate considered for 1 Euro as at 31st March, 2015 is ₹ 67.1410 and as at 31st March, 2014 is ₹ 82.2620



**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	2014-15		2013-14	
	Euro million	Euro million	Euro million	Euro million
<b>INCOME:</b>				
Sales and services	<b>1060.31</b>		987.64	
Less: Excise duty	<b>48.90</b>		52.25	
Revenue from operations		<b>1011.41</b>		935.39
Other income		<b>23.14</b>		16.36
<b>TOTAL REVENUE</b>		<b>1034.55</b>		951.75
<b>EXPENSES:</b>				
Cost of raw materials and components consumed and construction materials	<b>469.40</b>		446.96	
Purchases of stock-in-trade	<b>278.60</b>		246.27	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>3.37</b>		(1.58)	
Employee benefits expense	<b>67.49</b>		58.86	
Finance costs	<b>6.37</b>		4.91	
Depreciation and amortisation expense	<b>12.44</b>		11.04	
Other expenses	<b>108.24</b>		108.69	
<b>TOTAL EXPENSES</b>		<b>945.91</b>		875.15
<b>PROFIT BEFORE EXCHANGE GAIN / (LOSS), EXCEPTIONAL ITEMS AND TAX</b>		<b>88.64</b>		76.60
Exchange gain / (loss)		<b>(6.12)</b>		11.42
Exceptional items (net)		<b>33.56</b>		-
<b>PROFIT BEFORE TAX</b>		<b>116.08</b>		88.02
<b>TAX EXPENSE:</b>				
Current tax	<b>22.33</b>		20.71	
Deferred tax	<b>(0.61)</b>		2.93	
		<b>21.72</b>		23.64
<b>PROFIT AFTER TAX</b>		<b>94.36</b>		64.38
<b>PROFIT FROM CONTINUING OPERATIONS AFTER TAX</b>		<b>59.58</b>		35.13
<b>PROFIT FROM DISCONTINUING OPERATIONS BEFORE TAX</b>	<b>51.25</b>		41.13	
Tax expense of discontinuing operations	<b>16.47</b>		11.88	
<b>PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX</b>		<b>34.78</b>		29.25
<b>PROFIT FOR THE YEAR</b>		<b>94.36</b>		64.38
Earnings per share (basic and diluted) (in Euro)		<b>0.15</b>		0.10

**Note:** Average exchange rate considered for 1 Euro for 2014-15 is ₹ 77.4865 and for 2013-14 is ₹ 80.9367

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

	As at 31-03-2015		As at 31-03-2014	
	USD million	USD million	USD million	USD million
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS:</b>				
(a) Share capital	20.06		20.92	
(b) Reserves and surplus	590.52		587.42	
		610.58		608.34
<b>2. MINORITY INTEREST</b>		3.25		1.96
<b>3. NON-CURRENT LIABILITIES:</b>				
(a) Long-term borrowings	304.64		272.45	
(b) Deferred tax liabilities	32.10		31.35	
(c) Other long-term liabilities	8.34		11.31	
(d) Long-term provisions	10.47		12.20	
		355.55		327.31
<b>4. CURRENT LIABILITIES:</b>				
(a) Short-term borrowings	99.62		93.60	
(b) Trade payables	404.51		462.98	
(c) Other current liabilities	229.70		288.94	
(d) Short-term provisions	55.52		55.64	
		789.35		901.16
<b>TOTAL</b>		<b>1758.73</b>		<b>1838.77</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS:</b>				
(a) Fixed assets				
(i) Tangible assets	233.89		262.20	
(ii) Intangible assets	72.79		85.31	
(iii) Capital work-in-progress	11.80		15.28	
(iv) Intangible assets under development	8.47		21.17	
(v) Goodwill on consolidation	151.49		193.42	
(b) Non-current investments	44.90		46.40	
(c) Deferred tax assets	49.86		56.92	
(d) Long-term loans and advances	3.79		8.33	
		576.99		689.03
<b>2. CURRENT ASSETS:</b>				
(a) Current investments	25.73		3.49	
(b) Inventories	232.84		278.98	
(c) Trade receivables	597.11		599.44	
(d) Cash and bank balances	110.29		136.03	
(e) Short-term loans and advances	137.77		77.86	
(f) Other current assets	78.00		53.94	
		1181.74		1149.74
<b>Total</b>		<b>1758.73</b>		<b>1838.77</b>

**Note:** Closing exchange rate considered for 1 USD as at 31st March, 2015 is ₹ 62.4973 and as at 31st March, 2014 is ₹ 59.9100

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	2014-15		2013-14	
	USD million	USD million	USD million	USD million
<b>INCOME:</b>				
Sales and services	2355.34		2329.09	
Less: Excise duty	62.23		70.62	
Revenue from operations		2293.11		2258.47
Other income		27.33		31.32
<b>TOTAL REVENUE</b>		<b>2320.44</b>		<b>2289.79</b>
<b>EXPENSES:</b>				
Cost of raw materials and components consumed	1180.02		1191.75	
Purchases of stock-in-trade	357.65		330.23	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.91		(8.46)	
Employee benefits expense	326.23		323.42	
Finance costs	23.62		22.64	
Depreciation and amortisation expense	42.88		43.43	
Other expenses	302.18		320.13	
<b>TOTAL EXPENSES</b>		<b>2254.49</b>		<b>2223.14</b>
<b>PROFIT BEFORE EXCHANGE GAIN / (LOSS), EXCEPTIONAL ITEMS AND TAX</b>		<b>65.95</b>		<b>66.65</b>
Exchange gain / (loss)		(7.76)		15.31
Exceptional items (net)		14.79		-
<b>PROFIT BEFORE PRIOR PERIOD ITEMS AND TAX</b>		<b>72.98</b>		<b>81.96</b>
Prior period items		(2.90)		-
<b>PROFIT BEFORE TAX</b>		<b>70.08</b>		<b>81.96</b>
<b>TAX EXPENSE:</b>				
Current tax	32.84		32.06	
Deferred tax	3.48		7.04	
		<b>36.32</b>		<b>39.10</b>
<b>PROFIT AFTER TAX</b>		<b>33.76</b>		<b>42.86</b>
<b>PROFIT / (LOSS) FROM CONTINUING OPERATIONS AFTER TAX</b>		<b>(10.02)</b>		<b>3.65</b>
<b>PROFIT FROM DISCONTINUING OPERATIONS BEFORE TAX</b>	64.51		55.15	
Tax expense of discontinuing operations	20.73		15.94	
<b>PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX</b>		<b>43.78</b>		<b>39.21</b>
<b>PROFIT AFTER TAX</b>		<b>33.76</b>		<b>42.86</b>
Minority interest in loss		0.24		0.11
Share of profit / (loss) of associate companies (net)		0.25		(2.49)
<b>PROFIT FOR THE YEAR</b>		<b>34.25</b>		<b>40.48</b>
Earnings per share (basic and diluted) (in USD)		<b>0.05</b>		<b>0.06</b>

**Note:** Average exchange rate considered for 1 USD for 2014-15 is ₹ 61.1097 and for 2013-14 is ₹ 60.3575

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

	As at 31-03-2015		As at 31-03-2014	
	Euro million	Euro million	Euro million	Euro million
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS:</b>				
(a) Share capital	18.67		15.24	
(b) Reserves and surplus	549.67		427.80	
		568.34		443.04
<b>2. MINORITY INTEREST</b>		3.02		1.43
<b>3. NON-CURRENT LIABILITIES:</b>				
(a) Long-term borrowings	283.57		198.42	
(b) Deferred tax liabilities	29.88		22.83	
(c) Other long-term liabilities	7.77		8.24	
(d) Long-term provisions	9.75		8.89	
		330.97		238.38
<b>4. CURRENT LIABILITIES:</b>				
(a) Short-term borrowings	92.73		68.17	
(b) Trade payables	376.53		337.18	
(c) Other current liabilities	213.82		210.43	
(d) Short-term provisions	51.68		40.52	
		734.76		656.30
<b>TOTAL</b>		<b>1637.09</b>		<b>1339.15</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS:</b>				
(a) Fixed assets				
(i) Tangible assets	217.71		190.96	
(ii) Intangible assets	67.75		62.13	
(iii) Capital work-in-progress	10.98		11.13	
(iv) Intangible assets under development	7.89		15.42	
(v) Goodwill on consolidation	141.01		140.87	
(b) Non-current investments	41.79		33.79	
(c) Deferred tax assets	46.42		41.45	
(d) Long-term loans and advances	3.53		6.06	
		537.08		501.81
<b>2. CURRENT ASSETS:</b>				
(a) Current investments	23.95		2.54	
(b) Inventories	216.74		203.18	
(c) Trade receivables	555.81		436.56	
(d) Cash and bank balances	102.67		99.07	
(e) Short-term loans and advances	128.24		56.70	
(f) Other current assets	72.60		39.29	
		1100.01		837.34
<b>Total</b>		<b>1637.09</b>		<b>1339.15</b>

**Note:** Closing exchange rate considered for 1 Euro as at 31st March, 2015 is ₹ 67.1410 and as at 31st March, 2014 is ₹ 82.2620

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	2014-15		2013-14	
	Euro million	Euro million	Euro million	Euro million
<b>INCOME:</b>				
Sales and services	1857.54		1736.89	
Less: Excise duty	49.08		52.67	
Revenue from operations		1808.46		1684.22
Other income		21.56		23.35
<b>TOTAL REVENUE</b>		<b>1830.02</b>		<b>1707.57</b>
<b>EXPENSES:</b>				
Cost of raw materials and components consumed	930.62		888.73	
Purchases of stock-in-trade	282.06		246.27	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	17.28		(6.31)	
Employee benefits expense	257.28		241.18	
Finance costs	18.63		16.88	
Depreciation and amortisation expense	33.81		32.39	
Other expenses	238.31		238.73	
<b>TOTAL EXPENSES</b>		<b>1777.99</b>		<b>1657.87</b>
<b>PROFIT BEFORE EXCHANGE GAIN / (LOSS), EXCEPTIONAL ITEMS AND TAX</b>		<b>52.03</b>		<b>49.70</b>
Exchange gain / (loss)		(6.12)		11.42
Exceptional items (net)		11.66		-
<b>PROFIT BEFORE PRIOR PERIOD ITEMS AND TAX</b>		<b>57.57</b>		<b>61.12</b>
Prior period items		(2.29)		-
<b>PROFIT BEFORE TAX</b>		<b>55.28</b>		<b>61.12</b>
<b>TAX EXPENSE:</b>				
Current tax	25.90		23.91	
Deferred tax	2.75		5.25	
		28.65		29.16
<b>PROFIT AFTER TAX</b>		<b>26.63</b>		<b>31.96</b>
<b>PROFIT / (LOSS) FROM CONTINUING OPERATIONS AFTER TAX</b>		<b>(7.90)</b>		<b>2.71</b>
<b>PROFIT FROM DISCONTINUING OPERATIONS BEFORE TAX</b>	50.88		41.13	
Tax expense of discontinuing operations	16.35		11.88	
<b>PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX</b>		<b>34.53</b>		<b>29.25</b>
<b>PROFIT AFTER TAX</b>		<b>26.63</b>		<b>31.96</b>
Minority interest in loss		0.19		0.08
Share of profit / (loss) of associate companies (net)		0.20		(1.86)
<b>PROFIT FOR THE YEAR</b>		<b>27.02</b>		<b>30.18</b>
Earnings per share (basic and diluted) (in Euro)		0.04		0.05

**Note:** Average exchange rate considered for 1 Euro for 2014-15 is ₹ 77.4865 and for 2013-14 is ₹ 80.9367

# PRODUCTS & SERVICES

## Power

### CG INDIA

#### Transformers

- Auto Transformers (up to 1200 kV)
- Distribution Transformers
- Energy Efficient Transformers
- Dry Type Transformers (Cast Resin & VPI)
- Locomotive Transformers
- Traction Transformers
- Furnace Transformers
- Rectifier Transformers
- Shunt Reactors (upto 800 kV)
- Generator Transformers (up to 800 kV)
- Systems Transformers
- Phase Shifting Transformers
- Earthing Transformers
- Isolation Transformers

#### Switchgear

- Current Transformers upto 800 kV
- Capacitive Voltage Transformer upto 1200 kV
- Inductive Voltage Transformers up to 420 kV
- Condenser Bushings upto 550 kV (IEC) and upto 230 kV (ANSI)
- Coupling/Grading Capacitors upto 420 kV
- Indoor & Outdoor Vacuum Circuit Breakers up to 36 kV
- Indoor GIS up to 36 kV
- Gas Circuit Breakers upto 800 kV
- Lightning Arresters upto 1200 kV (Porcelain as well as Polymer Insulators)

- Disconnectors upto 245 kV
- Vacuum Interrupters upto 72.5 kV, 40 kA, 3150A
- LV & MV Vacuum Contactors upto 12kV, 630A
- LT STATCOM for Reactive Power Compensation
- LT STATCOM for Active Harmonic Filtering
- LT STATCOM for Voltage Phase Balancing
- HT APFC: 12kV
- LT APFC: LT
- 12 kV Automatic Vacuum Capacitor Switches
- Unitised Substation up to 24 kV
- Numerical Relays
- SF6 Insulated Vacuum Ring Main Units up to 24 kV
- Oil Ring Main Units up to 12 kV
- Gas Insulated Switchgear (GIS) 66-145-245 kV

#### Engineering Projects

- Projects on turnkey basis from concept to commissioning:
  - Turnkey Air Insulated Substation upto 765 kV
  - Turnkey Gas Insulated Substation upto 220 kV
  - Control and Automation Projects
  - Engineered Packages
  - Construction Packages for own EHV Equipments

#### Automation Systems

- Design, Engineering, Manufacturing, Testing and Commissioning of Control, Protection and Substation Automation System (SAS) for MV, HV, EHV, and UHV Substations
  - Line Distance Protection
  - Line Differential Protection
  - Transformer Differential Protection
  - Distributed Type Bus Bar Protection
  - Feeder (Bay) Control & Protection
  - Substation Server cum Gateway unit for SAS
  - Ethernet Switch for SAS
  - GPS time synchronization clock for SAS
- Design, Engineering, Manufacturing, Testing and Commissioning of Analog and Digital Power Line Carrier Communication (PLCC) System for MV, HV, EHV and UHV lines
  - Line Carrier Equipment
  - Line Teleprotection Equipment
  - Line Coupling Device
  - Standalone PLCC modem
- Distribution Automation System and AMI/AMR
  - RTU/ Protocol Convertors/ Gateways
  - FRTU
  - SCADA
  - DMS
  - Smart Meters
  - Data Concentrators
  - Communication Modems
  - Industrial Ethernet Switches
  - Self Healing Networks

- Smart Grid Solutions
- Wind SCADA
- Solar SCADA

#### **CG Power System Service**

- Site Services
- Repair & Refurbishment
- Condition Monitoring and Diagnostics of Power Apparatus

#### **CG HOLDINGS BELGIUM NV**

##### **Transformers**

- Three phase liquid filled Distribution Transformers (up to 72.5 kV)
- Single phase transformers for pole- and platform mounting (up to 400 kVA and 36 kV)
- Three phase liquid filled Small Power transformers (up to 30 MVA and 132 kV)
- Energy efficient Transformers as per the EU Eco-design, US DOE regulations and Indian Star program)
- Amorphous Metal Transformers (up to 2.5MVA and 36kV)
- Smart Grid Distribution Transformers (up to 1000kVA and 24kV)
- Cast Resin Dry Type Transformers (up to 10MVA and 36kV)
- Compact SLIM® Transformer (up to 10MVA and 36kV)
- Compact Bio-SLIM® Transformers (up to 15MVA and 72.5 kV)
- City Transformers (up to 30MVA and 72.5kV)

- Phase Shifting Transformers (up to 30MVA and 132kV)
- Self-protecting Distribution Transformers (up to 1000kVA and 36kV)
- Autotransformers (up to 30MVA and 72.5kV)
- Neutral grounding Transformers (up to 72.5kV)
- Neutral Point Reactors (up to 145kV)
- Stationary (trackside) and Locomotive Traction Transformers
- Converter Transformers
- Compact Unit Substations (up to 2.8MVA and 36kV)
- Transformers for hazardous areas like ATEX (up to 30MVA)
- Generator StepUp Transformers
- Micro-Substations (up to 315kVA and 36kV)
- Reactors
- Primary Unit Substations (IEEE type up to 30MVA and 138kV)
- Secondary Unit Substations (IEEE type up to 30MVA and 34.5kV)
- Pad mounted Transformers (up to 10MVA and 36kV)
- Modular Distribution Transformer (IEEE type up to 10MVA and 34.5kV)
- Power Transformers (up to 500 kV)
- Traction Transformers
- Mobile Transformers (up to 230 kV)

##### **Switchgear**

- Porcelain Housed Surge Arresters (Station & Distribution class)

- Polymeric Housed Surge Arresters (Station & Distribution class)
- SF6 Gas Circuit Breakers
- Three-phase enclosed Compact GIS
- Single-phase enclosed GIS
- Disconnectors
- Current Transformer
- Inductive Voltage Transformer
- Capacitor Voltage Transformer

##### **Services Division: EMEA**

- Installation, Commissioning, Maintenance, Repair & Refurbishment of complete substations, Transformers, On Line Tap Changers, GIS, AIS, of own make and other brands
- Site intervention Services and a Dedicated Repair Shop for Transformers up to 400 kV, all brands, Shell and Core type
- Reverse engineering, refurbishment and repair of On Line Tap Changers in a dedicated repair workshop
- 24/7 Operations and Maintenance service for onshore/offshore substations
- Quick delivery of spare parts
- Fast service for refurbishment of Distribution Transformers
- Oil and SF6 treatment
- Condition Based Monitoring
- Asset Assessment and Diagnostics
- Lifetime Extension Programs
- Customer training
- Dedicated Service entities in

- Belgium (North & South)
- France (North & South): CG Service Systems France SAS
- Hungary
- Kuwait
- Saudi Arabia
- United Arab Emirates (Dubai)
- UK (North & South)

### Systems Division

- High Voltage Transmission Systems Engineering and Supervisory services
- Engineering Consultancy for transmission grid operators and Grid compliance analysis
- Turnkey AIS and GIS Transmission Projects up to 765 kV, including:
  - Rural Greenfield Electrification projects
  - Transmission Grid connections and Substations for On- and Offshore wind parks
  - Industrial HV & MV Substation Installations up to 765 kV
  - Modular HV and MV substations up to 220 kV
  - Mobile GIS and AIS Substations and Capacitor Banks up to 220kV
  - Mobile HV Circuit Breakers up to 220 kV
  - Mobile MV Switchgear up to 220 kV
  - Transmission Line Projects up to 400 kV
  - Submarine cable and underground cable transmission projects up to 220 kV
  - Flexible AC Transmission Systems (FACTS)
- Transmission project asset leasing and renting
- Smart Grid Solutions
- Substation Control and Automation Systems
- Distribution Automation Systems
- Transmission MV and HV SCADA projects
- HV Substation refurbishment projects

### CG POWER SYSTEMS IRELAND LTD

#### Distribution Transformer Division

- Single phase Distribution Transformers 15kVA to 200kVA up to 36 kV
- Three phase Distribution Transformers 25kVA to 5000kVA up to 72 kV
- Mini, Micro & PRCS self-protected package substations up to 315kVA
- Unit substations with or without protection up to 1000kVA
- MV Distribution System stations complete with MV & LV protection up to 5000kVA
- Interface Transformers up to 5000kVA
- Auto Transformers up to 5000kVA
- Rectifier Transformers
- SLIM® Transformers (up to 36 kV)

- Solar Application Transformers
- House Transformers up to 40kV
- Three Phase Very Low Loss Transformers
- Refurbishment of Transformers
- Amorphous Core Transformers
- Insulating Liquids: Mineral Oil, Silicon Oil, Synthetic Ester & Natural Ester

### CG POWER SOLUTIONS UK LTD

#### Products & Services

- Provide Project Management, Engineering, Installation, Commissioning and SAP Operations services for Transmission, Distribution, Generation, Renewables, Panel Manufacture and LV Contracting Sectors
- Servicing of Transmission & Distribution Equipment
- Turnkey solutions, from design through to commissioning, for industrial schemes and EPC contracts
- Manufacture of Protection & Control panels

### CG ELECTRIC SYSTEMS HUNGARY ZRT

#### Transformers Division

- High Voltage Power Transformers (up to 800 kV)
- Power Transformers filled with mineral oil (up to 500 MVA)
- Power Transformers filled with biodegradable liquid
- Track side Transformers
- Locomotive Transformers
- Traction Transformers
- Mobile Transformers
- Furnace Transformers
- Rectifier Transformers
- Special Purpose Transformers
- Phase Shifting Transformers

#### Switchgear Division

- SF6 Gas Circuit Breakers
- Gas Insulated Switchgear (GIS) up to 300 kV
- Dead Tank Breaker 72.5 kV

#### Systems Division

- GIS and AIS Substations up to 750 kV
- Industrial and Generation HV & MV Substations Installations up to 765 kV
- Transmission Line Projects up to 400 kV
- Submarine and underground cable transmission projects up to 220 kV
- Transmission project asset leasing and renting
- Transmission MV and HV SCADA projects
- Substation refurbishment projects

- High Voltage Transmission Systems Engineering
- Engineering Consultancy for transmission grid operators

#### Service Division

- Site erection and maintenance of Power Transformers

### CG AUTOMATION SYSTEMS

#### Automation Products

- Substation Control and Automation Systems
- Distribution Automation Systems
- Remote Telemetry Units
- Distribution Automation Controllers
- IEC61850 systems
- IED integration
- Substation gateways
- Smart Grid Solutions
- Data concentrators
- Bay Control Units
- Protocol converters
- Self-healing Networks
- SCADA Systems
- Wind SCADA

### CG POWER SOLUTIONS USA INC

#### Services

- Engineering and EPC Projects for Transmission & Distribution Systems (5–765 kV)
- Substations
- Flexible AC Transmission Systems (FACTS)
- Harmonic Filters
- Substation Automation
- Protective Relay Systems
- SCADA Systems
- Aerial Lines
- Underground Lines
- Renewable Energy Systems (Wind, Solar, Hydro, Geothermal)

### CG POWER SYSTEMS USA

- Distribution Transformers filled with mineral oil, silicone oil, synthetic ester oils and vegetable oil
  - Three-phase pad mounted transformers up to 10 MVA and 34.5 kV
  - Three-phase pole & platform mounted transformers up to 2.5 MVA and 34.5 kV
- Secondary Unit Substation Transformers up to 10 MVA and 34.5 kV
- Station Unit Transformers up to 10 MVA and 69 kV
- Modular Distribution Center Units up to 10 MVA and 34.5 kV



- SLIM® & Bio-SLIM® Transformers up to 5 MVA and 34.5 kV
- WindPAD Transformers up to 5 MVA and 34.5 kV: Designs Optimized for Wind Applications
- SolarPAD Transformers (4, 3 & 2 Winding) up to 5 MVA and 46 kV: Designs Optimized for Solar Applications
- Power Transformers up to 85 MVA and 161 kV, with and without LTC
- Generator Step-Up Transformers up to 85 MVA and 161 kV
- Dead Tank Breakers up to 72 kV
- Surge Arresters
- Field Commissioning & Testing Services
- Customer Training Services

### Services

- Installation & Relocation
  - New Transformer
  - Existing Transformer Relocation
  - Disposal
  - Commissioning
- Repairs & Refurbishment
  - Cooler Replacement
  - Gasket Replacement / Leak Repair
  - Cleaning & Painting
  - Oil Testing / Replacement
  - On & Off Load Tap Changer Repair/ Refurbishment
  - Buchholz Relay Replacement
  - Temperature Indicator Replacement
  - LV and HV Bushings Refurbishment
  - Breather Replacements
- Transformer Enhancement & Improvement
  - Upgrading by addition of Fans, Pumps, Radiators, Heat Exchangers
  - Condition Monitoring
  - Cable Box to Separable
  - Connector Replacements
  - Breather Upgrades
  - Pressure Relief Device
  - Conversion & Ducting
  - On Load Tap Changers
- Spares & Equipment
  - WTI & OTI (Various types & manufacturers)
  - Buchholz Relay
  - Radiators
  - Control Cabinets
  - Fans
  - Pumps
  - Bushings
  - Conservator Tanks
  - Oil Level Gauge – Magnetic & Prismatic
- Testing & Advice
  - Commissioning

- Visual Survey
- Oil Testing and Recommendations
- Condition Monitoring
- Lifetime Extension Program

### CG POWER SYSTEMS CANADA INC

- HVDC Converter Transformers (up to 500 kV DC and 350 MVA)
- Generator Step-Up Transformers (up to 525 kV and 575 MVA)
- Power Transformers (up to 525 kV and 575 MVA)
- Auto Transformers (up to 525 kV and 700 MVA)
- Voltage Regulating Transformers (up to 230 kV and 450 MVA)
- Phase Shifting Transformers (up to 230 kV and 450 MVA)
- Grounding Transformers (up to 69 kV and 15 MVA)
- Mobile Substations (up to 230 kV and 60 MVA)
- Installation and Erection Services
- Customer Training Services

### PT CG POWER SYSTEMS INDONESIA

#### Transformers

- 3-phase Power Transformers up to 300 MVA–500 kV
- Single phase Transformers up to 250 MVA, 500 kV
- Phase Shifting Transformers
- Mobile Transformers (up to 100 MVA, 220 kV)
- Special Purpose Transformers

#### Systems Division

- AIS Switchyards up to 500 kV
- GIS Switchyards up to 275 kV
- Refurbishment / Extension of GIS
- Mobile and Compact Substation up to 100 MVA, 220 kV
- Mobile Capacitor Banks
- Substation Automation and SCADA projects
- Substation refurbishment projects
- Engineering Consultancy for transmission grid operators

## Automation

### INDIA

#### Products and Solutions for:

- Control and Protection Systems for
  - Distance/ Feeder/ Line Control and Protection.

- Transformer/ Reactor Control and Protection.
- Busbar Protection.
- Bus Tie/ Bus Coupler/ Transfer Bus coupler Control and Protection.
- Capacitor Bank Control and Protection.
- Motor Protection
- Transformer Voltage Regulator & RTCC
- IEC 61850 based Substation Automation System (SAS) Solutions.
- IEC 61850 certified IEDs for Power System Control & Protection
- IEC 61850 Substation Server cum Gateway for local and remote monitoring and control of substation
- IEC 61850 Certified Ethernet switches
- GPS clock with NTP server
- Analog/ Digital Power Line Carrier Communication (PLCC) System Solutions
  - Coupling Device
  - Carrier Equipment
  - Protection Coupler
  - PLCC Modem
- Distribution Automation Solutions
  - FRTU for Feeder / RMU / Distribution Transformer Monitoring & Control
  - RTU for T&D Substation Monitoring, data management, protocol conversion, data concentration etc.
  - CG SCADA / HMI Solution with multiprotocol support.
- AMI/ AMR Systems
  - Digital Multifunction Smart Meters for Industrial, Commercial and Residential applications
  - Data Concentrator Units with LV supervision.
  - Modems and Routers for AMI/AMR communication
  - Smart Meter Accessories and Cabinets
  - M2M Gateways

#### Activities and Services

- Control and Protection System Design, Engineering, Testing & Commissioning
- Substation Automation System Design, Engineering, Testing & Commissioning
- Distribution Automation System SCADA and RTU Design, Engineering, Testing & Commissioning
- Power Line Carrier Communication System Design, Engineering, Testing & Commissioning
- Smart Meters AMI/ AMR System Design, Engineering, Testing & Commissioning
- Project Management.

- After sales services, training and support to customers

## NON INDIA

### Substation Automation Systems

- Protection And Control Systems
  - Line Protection
  - Busbar Protection
  - Transformer Protection
  - Feeder Protection
  - Cap. Bank Protection
  - Bay Control Unit
  - Breaker
  - Single Function Relay
  - Disturbance Recording
- Communications
  - Carrier Systems (Analog & Digital)
  - Teleprotection Systems (Analog & Digital)
  - Line-Matching Units & Accessories
    - Outdoor Indoor
  - Modems
  - Networking
- Automation Systems
  - XCELL, Transmission RTU, SAS server, SCS, SCADA, Gateway, Protocol Converter and Data Concentrator
- Software
- Global Engineering Services
  - System engineering
  - IED configuration
  - Communication System
  - System integration
  - Commissioning
  - Training services

## DISTRIBUTION AUTOMATION SOLUTIONS

### Product catalogue

- Smart Meters and Data Concentrators
- Communication Solutions
- MV & LV Grid Automation
- EV charging stations & OEM modules
- Sensors and PLC Couplers for Smart grids

### Solution Portfolio

- Global AMI Solutions
- LV Supervision systems
- MV Automation Solutions
- Compact secondary substations

## TRANSIT

Automation and Supervisory Control for Electric, Transportation & Water Utilities

- Control Room SCADA
- Remote Gateways & RTU's
- Emergency Trip System
- Train Tracking

- Fault Detection

## Industrial

### MV MOTORS & GENERATORS: CG INDIA

- **MV & LV Induction** Motor including safe area, flame proof, increased safety and non sparking industrial duty machines power range upto 12 MW, Polarity upto 24 poles, Voltage up to 13.2 kV and in frame Size 315 to 1120 in horizontal frame & 740 to 2650 frame size in vertical frame, Squirrel Cage and Slip Ring Induction motors in enclosure type TEFC, CACA, CACW, SPDP & TETV.
- **Synchronous Generators from 1 MVA to 25 MVA** in frame size 500 to 1120, upto 13.2 kV in enclosures type CACA,CACW & SPDP
- **Industrial duty DC machines upto 2000 kW**, in frame size from 315 to 710, Voltage upto 800 V, in enclosures type TEFC,CACA,CACW & SPDP

### MV MOTORS: CG HUNGARY

- MV Slip Ring and Squirrel Cage Induction Motors power upto 25 MW, Pole number upto 16 in standardised designs and non standard designs in very low speeds, voltage upto 15 kV
- Synchronous Generators power from 1 MVA upto 70 MVA, Voltage upto 13.2 kV, in high speed 2pole and very low speed even till 48poles, vertical and horizontal configuration

### SERVICE BUSINESS: CG HUNGARY

- Generator refurbishment and overhauling at site and factory upto 300 MVA
- MV Motor refurbishment and overhauling at site and factory
- Stator and Rotor rewinding, balancing, testing and complete diagnostic at factory and site.

## RAIL TRANSPORTATION & TRACTION

### Propulsion Equipments:

- AC & DC Traction motors for AC Locos, Diesel Locos, EMUs & DEMUs
- Traction Alternators for Diesel Locos & DEMUs
- Electrical Traction Controls for Diesel Electric Tower Car and Multiple Units

### TRACTION ELECTRONICS:

- Auxillary Converters – GTO
- Power Converters – GTO

- Control Electronics
- 180KVA Static Inverter
- 3X130 KVA IGBT based Auxillary Converter
- IGBT based Power Converter

### RAILWAY SIGNALLING

- Signalling Relays
- Point Machines
- Data Logger
- BLDC Fan
- Integrated Power Supply System
- 25 KVA Underslung Inverter EMX Motor B15

### INDUSTRIAL DRIVES AND AUTOMATION

- LV Drives Systems upto 3 MW, Voltage upto 690 VAC
- MV Drives upto 58 MW, Voltage upto 13.8 kV
- MV Softstarters upto 50 MW, Voltage upto 13.8kV
- LV Softstarters upto 1.6 MW, upto 690V
- DC Drives System upto 5400 kW, Voltage upto 1000 VDC
- Shaft Power Monitors
- Rotating Heat Exchanger Drives with Switched Reluctance Motors
- CG is into solution business for Sector wise application specific solutions & projects, including Inverter Duty Transformer, Variable Frequency Drives, Switchgear Panels and Rotating Machines as complete package

### LT MOTORS

- AC Motors, Frame 63 to 400 (0.18 kW to 450 kW)
- TEFC Motors available in Squirrel cage & Slipring constructions, suitable for Safe Area & Hazardous Area
- AC Motors Apex Series, Frame 80 to 355LX (0.75 to 250 kW) IE 2 Efficiency and Frame 80 to 132M (0.75 to 7.5 kW ) IE 3 Efficiency
- AC Motor NEMA Range 56 to 504 (0.75 to 150kW) EPACT & OWP
- AC Motor Kibosh Series, Frame 80 to 200L ( 0.37 KW to 30KW )
- DC Motors Frame 100 to 315 (2.2 kW to 550 kW)
- Alternators Brushless Series Frame 132 to 400 (5 kVA to 1010 kVA)
- Alternator Ustad Series: Slipring Alternators from 5 kVA to 82.5 kVA

### FHP MOTORS

- NEMA B42, B48 Frame: 30 to 370W, 2/4/6/8 Pole Sheet Metal Body Motors

- M50 Frame ( NEMA B56) : 187 to 1500W, 2/4 Pole Sheet Metal Body Motors
- 100S Frame: 1100 to 2250W, 4 Pole Sheet Metal Body Motors
- IEC 80–132 Frame: 370 to 3750W, 4 Pole CI Body Single Phase Motors
- Flame Proof Enclosure: 370 to 750W, 4 Pole Motors
- IEC 63–112 Frame: 370 to 750W, 2/4 Pole and 2250 W Aluminum Body Single Phase Motors
- Open Construction/ Customized frames: 20 to 750W, 2/4/6 Pole Motors for Domestic Appliances

### STAMPING AND LAMINATION

- 0.5 mm, 0.65 mm thick lamination from 65mm (2.6 inches) to 1300mm (51 inches) diameter in CRNGO and CRCA material in all grades & coatings for guaranteed watt loss & permeability as per customer requirement
- High speed up to 425 mm diameter with additional features like air gap cutting, auto stacked stators and stacked & skew rotors
- Notching operation up to 1300 mm (51 inches) diameter by single point notching (3 operations in one stage, like OD, Slot & ID) and skip notching operation
- Notching operation with programmable tooling on Schular machines Scroll line for better RM utilization
- Compound blanking and segmental lamination blanking up to 1050 mm diameter/width
- Continuous Heat treatment line for laminations up to 450 mm diameter for improving watts/kg & permeability
- Pack building operation with riveting, cleating & welding operation for skew stators
- Electrical lamination: ST & RT for LT Motors, 80 to 500 fr
- Circular & Segmental Electrical Laminations for HT Motors
- Punching & pack building (TIG welding) for Alternators
- Die cast Rotors for Motors
- Segmental lamination for Hydro, Turbo & Wind Mill Alternators
- Auto Stitch & Auto Skewed packs for fan

## Consumer

### LIGHTING

#### Lamps

- Incandescent Lamps

- Fluorescent Tubular Lamps
- Compact Fluorescent Lamps
- Metal Halide Lamps
- Sodium & Mercury Vapor Lamps
- Halogen Lamps
- LED Lamps & Tubes

### LUMINAIRES & ACCESSORIES

- LED Indoor Commercial Luminaires
- LED High, Medium & Low Bay Industrial Fittings
- LED Street Lights
- LED Floodlights & Landscape Luminaires
- Domestic & Decorative Luminaires
- Retail Lighting Fixtures
- Healthcare & Cleanroom Luminaires
- Office Lighting
- Lighting Management System
- Industrial Luminaires
- Street Lighting
- Street Light Automation
- Flood Lighting
- Landscape Lighting
- Induction Lighting for Industrial, Street & Flood Applications
- High Masts, Stadium Masts & Poles
- Lighting Electronics & Gear

### FANS

- Ceiling Fans:
  - Lifestyle, Super Premium, Electroplated, Kids, Premium, Decorative, BEE Star Rated, ISI Marked, Standard, Economy
- TPW
  - Table, Pedestal & Wall Mounting Fans in metal and plastic
  - High Speed Table, Pedestal & Wall Mounting Fans
  - Pedestal & Wall Mounting Fans with remote
- Domestic Exhaust Fans, Ventilating Fans
- Cooler Kits
- Industrial Fans:
  - Heavy Duty Exhaust Fans, Air Circulators, Air Curtains, Axial Flow Fans, Man Coolers & Centrifugal Blowers
- Special Purpose Fans:
  - Personal Fans, Cabin Fans & Farrata

### APPLIANCES

- Geysers: Instant Water Heater (Plastic/ Metal), Storage Water Heaters (Plastic/ Metal), Gas Geysers, Immersion Water Heater
- Household Appliances: Food Processors, Mixer Grinders, Juicer Mixer Grinders, Juice

- Extractor, Wet Grinders, Hand Blenders, Electric Kettle, Rice Cooker, Dry Irons, Toasters, Induction Cook Tops
- Heaters & Coolers: Room Heaters, Air Coolers
- Power Solution: Home UPS, Batteries, Torches, Lanterns, Voltage Stabilizers

### PUMPS

- Centrifugal Monobloc Pumps: Single / Two Stage
- Self Priming Pumps
- Submersible Pumps for 75,100,150,200 & 250 mm borewells
- Submersible Pumps: 75,100 mm with Oilfield Motors
- Stainless Steel Submersible Pumps for 100 & 150 mm borewells
- Cables suitable for submersible pumps 1.5 sq mm to 6 sq mm
- 3 PH/1 PH Control Panels for Submersible Motors
- Electronic Control Panel
- GSM Pump Controller
- Star Delta Starter
- Centrifugal Jet Pumps: Single / Two Stage
- Dewatering Pumps: Bare / Monobloc / Coupled
- Vertical In Line Pumps
- Openwell Submersible Pumps
- Petrol Kerosene Engine Pumps
- Compressor Pumps & Air Compressors
- End Suction Pumps
- Fire Fighting Pumps
- Pressure Boosting Pumps
- Single Pump Booster
- Multistage Pumps
- Submersible Sewage Pumps
- Solar Pumping System

### INTERNATIONAL

Exports of all Crompton manufactured products

# ESTABLISHMENTS

## India

### REGISTERED OFFICE

CG House, 6th Floor  
Dr. Annie Besant Road  
Worli, Mumbai 400 030  
Maharashtra, India  
**Tel** +91 (0)22 2423 7777, 2423 7764,  
2423 7765  
**Fax** +91 (0)22 2423 7733

### POWER SYSTEMS

#### Transformer Division

Kanjur Marg (East), Mumbai 400 042  
Maharashtra, India  
**Tel** +91 (0)22 6755 8000, 6755 8173,  
6755 8202, 6755 8212, 6755 8372  
**Fax** +91 (0)22 6755 8305,  
2578 3271, 25780456  
**Email** nitin.naik@cgglobal.com

Plot No. T1-T5 MPAKVN Industrial Area  
District Bhind, Malanpur 477 116  
Madhya Pradesh, India  
**Tel** +91 (0)7539 301200, 301254, 301260  
**Fax** +91 (0)7539 283585, 301242  
**Email** surajit.roy@cgglobal.com

Plot No. 29, 31 & 32 New Industrial Area No.1  
AKVN, District Raisen, Mandideep 462 046  
Madhya Pradesh, India

**Tel** +91 (0)7480 408285/6, 408201  
**Fax** +91 (0)7480 408208, 408255  
**Email** suyash.dixit@cgglobal.com

#### Switchgear Division

A-3, M.I.D.C., Ambad,  
Nashik 422 010  
Maharashtra, India  
**Tel** +91 (0)253 2382271-75  
**Fax** +91 (0)253 2381247  
**Email** mukul.srivastava@cgglobal.com

#### S6 & Power Quality

Vacuum Interrupters & Instrument  
Transformer Division  
D2 & D1/2, MIDC, Waluj  
Aurangabad 431 136, India  
**Tel** +91 (0)240 2558000, 2558081,  
2558001, 2558031  
**Fax** +91 (0)240 2554697  
**Email** pranav.shanker@cgglobal.com

#### Engineering Projects Division

3rd Floor, Tower A, Cyber Greens  
DLF Cyber City, Sector 25-A  
DLF Phase III, Gurgaon 122 002  
Haryana, India  
**Tel** +91 (0)124 3047700, 3047999  
**Fax** +91 (0)124 3047777, 3047888  
**Email** sanjay.sahni@cgglobal.com

#### Power Distribution Franchisee

Crompton Greaves Limited,  
Distribution Franchisee, Old Power House,  
Dixitwadi, Jillha Peth, Jalgaon-425 001  
Maharashtra, India  
**Tel** +91 (0)257 2232299  
**Email** neelkant.narayanan@cgglobal.com

### AUTOMATION

#### Automation Business Unit (India)

Global Village Tech Park, Block – A  
Ground Floor – Right Wing  
Mylasandra, RVCE Post,  
Bangalore 560059  
Karnataka, INDIA  
**Tel** +91 (0)80 30037500  
**Fax** +91 (0)80 30037599  
**Email** hampesh.thippeswamy@cgglobal.com

#### CG-ZIV Power Automation Solutions Ltd.

Global Village Tech Park, Block – A  
Ground Floor – Left Wing  
Mylasandra, RVCE Post,  
Bangalore 560059  
Karnataka, INDIA  
**Tel** +91 (0)80 30037500  
**Fax** +91 (0)80 30037599  
**Email** hampesh.thippeswamy@cgglobal.com

## INDUSTRIAL SYSTEMS

### Machines 7 Division

D-5, Industrial Area, MPAKVN  
Mandideep 462 046  
Madhya Pradesh, India  
**Tel** +91 (0)7480 400000, 400102,  
400228, 403238, 400181/2  
**Fax** +91 (0)7480 403119  
**Email** ranjan.singh@cgglobal.com

### Large Motors & Generator Plant

Plot No 9, MPAKVN Phase II,  
New Industrial Area  
Mandideep 462 046  
Madhya Pradesh, India  
**Tel** +91 (0)7480 426400  
**Fax** +91 (0)7480 426415  
**Email** ranjan.singh@cgglobal.com

### Drives & Automation Division

Plot No 9, MPAKVN Phase II,  
New Industrial Area  
Mandideep 462 046  
Madhya Pradesh, India  
**Tel** +91 (0)7480 426400, 426403  
**Fax** +91 (0)7480 426409  
**Email** suryakant.agharkar@cgglobal.com

### Rail Transportation & Traction Electronics

Plot No 9, MPAKVN Phase II,  
New Industrial Area

Mandideep 462 046  
Madhya Pradesh, India  
**Tel** +91 (0)7480 426400, 426401/402  
**Fax** +91 (0)7480 426409  
**Email** yogesh.jaiswal@cgglobal.com

### Railway Signalling Division

11 B, Industrial Area No1  
Pithampur 454 775, District Dhar  
Madhya Pradesh, India  
**Tel** +91 (0)7292 410000, 410121, 403095  
**Fax** +91 (0)7292 253211  
**Email** delip.wakode@cgglobal.com

### Stampings Division

B-110, 111B, 112/2 MIDC Industrial Area  
Ahmednagar 414 111, India  
**Tel** +91 (0)241 6610512/31  
**Fax** +91 (0)241 6610511  
**Email** ganesh.pendse@cgglobal.com

### LT Motors Division

A- 6/2, MIDC Industrial Area  
Ahmednagar 414 111  
Maharashtra, India  
**Tel** +91 (0)241 2777500, 2777372, 2776102  
**Fax** +91 (0)241 2777508, 2776103, 2777800  
**Email** sajal.mukherjee@cgglobal.com

B-108/109, MIDC Industrial Area  
Ahmednagar 414 111

Maharashtra, India  
**Tel** +91 (0)241 2777145  
**Fax** +91 (0)241 2777162, 2778534  
**Email** pradip.arote@cgglobal.com

S 14-15, Colvale Industrial Estate  
Colvale Bardez  
Goa 403 513, India  
**Tel** +91 (0)832 2404000, 2404001, 2404002,  
2404003, 2404012  
**Fax** +91 (0)832 2404011  
**Email** sandeep.tamboli@cgglobal.com

### Commercial Motors Division

196-198, Kundaim Industrial Estate  
Kundaim Ponda  
Goa-403115, India  
**Tel** +91 (0)832 3983228  
**Email** ramesh.nayak@cgglobal.com

## CONSUMER PRODUCTS

### Fans Division

Plot No 1 Goa IDC Industrial Estate  
Bethora, Ponda  
Goa 403 409, India  
**Tel** +91 (0)832 2331200, 2331256  
**Fax** +91 (0)832 2330155  
**Email** uday.mahajani@cgglobal.com

Plot No 214-A Kundaim Industrial Estate  
Kundaim

Goa 403 115, India  
**Tel** +91 (0)832 2395305, 2395902  
**Fax** +91 (0)832 2395305  
**Email** uday.mahajani@cgglobal.com

Plot No 81, HPSIDC Indl. Area  
Baddi, District Solan  
Himachal Pradesh 173 205, India  
**Tel** +91 (0)1795 320141, 322140, 310142,  
310143, 245664  
**Fax** +91 (0)1795 245665  
**Email** uday.mahajani @cgglobal.com

Plot No 148- 150 & 157- 159  
HPSIDC Industrial Area  
Baddi, District Solan  
Himachal Pradesh 173 205, India  
**Tel** +91 (0)1795 245691/245692  
**Email** uday.mahajani @cgglobal.com

#### **Appliances Division**

Equinox Business Park  
Tower 3, 1st Floor, East Wing  
LBS Marg, Kurla (East)  
Mumbai- 400070  
Maharashtra, India  
**Tel** +91 (0)22 61678370; 61678368; 61678499  
**Email** kishor.aher@cgglobal.com

Plot No 81, HPSIDC Industrial Area  
Baddi, District Solan 173 205  
Himachal Pradesh, India  
**Tel** +91 (0)1795 320141, 322140, 310142,  
310143, 245664  
**Fax** +91 (0)1795 245665  
**Email** kishor.aher@cgglobal.com

#### **Lighting Division**

Equinox Business Park  
Tower 3, 1st Floor, East Wing  
LBS Marg, Kurla (East)  
Mumbai- 400070  
Maharashtra, India  
**Tel** +91 (0)22 61678499; 61678302  
**Email** ramesh.kumar@cgglobal.com

Baroda Lamp Works, Kural Village  
Padra Taluka, Padra Jambusar Road  
District Baroda 391430  
Gujarat, India  
**Tel** +91 (0)2662 245245, 245131  
**Fax** +91 (0)2662 245003  
**Email** christopher.d@cgglobal.com

Lighting Division – Baddi (Unit III)  
Village Thana, Tehsil Baddi

District Solan, Pin: 173205  
Himachal Pradesh – India  
**Tel:** +91 1795 651201, 651202  
**Email** christopher.d@cgglobal.com

#### **Pumps Division**

C-19, MIDC, Ahmednagar 414 111  
Maharashtra, India  
**Tel** +91 (0)241 6606500, 6606502  
**Fax** +91 (0)241 6606550  
**Email** premanand.bhat@cgglobal.com

#### **BRANCH & MARKETING OFFICES**

##### **Northern Region**

**Regional Head Office: New Delhi**  
3rd Floor, Express Building  
9-10, Bahadur Shah Zafar Marg  
Near ITO Crossing  
New Delhi 110 002, India  
**Tel** +91 (0)11 23460700, 23354879  
**Fax** +91 (0)11 23324360, 23737617  
**Email** sunil.das@cgglobal.com

##### **Jaipur**

Church Road, PO BOX 173  
Jaipur 302 001, Rajasthan, India  
**Tel** +91 (0)141 3018800/01  
**Fax** +91 (0)141 2365371  
**Email** amit.mehta@cgglobal.com

##### **Jalandhar**

BXII-407, 2nd floor, Near BSF Chowk  
Ladowali Road, Jalandhar 144 001  
Punjab, India  
**Tel** +91 (0)181 3051301/95, 2225410  
**Fax** +91 (0)181 2226342  
**Email** kamal.goyal@cgglobal.com

##### **Lucknow**

Saran Chambers II, 3rd floor  
5 Park Road, Lucknow 226 001  
Uttar Pradesh, India  
**Tel** +91 (0)522 4935750/56, 4935765  
**Fax** +91 (0)522 4935758  
**Email** munavvar.rais@cgglobal.com

#### **RAIL TRANSPORTATION SYSTEMS**

Crompton Greaves Ltd  
3rd Floor, Express Building  
9-10, Bahadur Shah Zafar Marg  
Near ITO Crossing  
New Delhi 110 002, India  
**Tel** +91 (0)11 23460700, 23460922/23/24  
**Fax** +91 (0)11 23324360, 23352134  
**Email** salil.kumar@cgglobal.com

#### **Eastern Region**

##### **Regional Head Office: Kolkata**

50 Chowringhee Road  
Kolkata 700 071  
West Bengal, India  
**Tel** +91 (0)33 22829681– 85  
**Fax** +91 (0)33 22829942  
**Email** sushanta.roy@cgglobal.com

##### **Bhubaneshwar**

Janpath Tower, 3rd Floor, Ashok Nagar Unit II  
Bhubaneshwar 751 009  
Orissa, India  
**Tel** +91 (0)674 2531128, 2531429  
**Fax** +91 (0)674 2533521  
**Email** satish.mohanty@cgglobal.com

##### **Guwahati**

C/o SKC Logistics Pvt. Ltd.  
GS Road, Dispur, Near Car Ghar  
Guwahati- 781005  
Assam  
**Tel** +91 8811094991  
**Email** laishram.singh@cgglobal.com

##### **Ranchi**

3, Westend Park  
Kaju Bagan (Near DAV Junior School)  
Hehal, Ratu Road,  
Ranchi 834 005  
Jharkhand, India  
**Tel** +91 (0)651 2512095  
**Email** binayak.biswal @cgglobal.com

##### **Patna**

501 Luv Kush Tower  
Exhibition Road  
Patna 800 001  
Bihar, India  
**Tel** +91 (0)612 2320050

#### **Western Region**

##### **Regional Head Office: Mumbai**

6th Floor, Nataraj Building,  
Near Western Express Highway  
Andheri (East), Mumbai-400069  
Maharashtra, India  
**Tel** +91 (0)22 61929400

##### **Ahmedabad**

909-916, Sakar II, Near Ellis Bridge  
Ahmedabad 380 006,  
Gujarat, India  
**Tel** +91 (0)79 40012000, 40012201  
**Fax** +91 (0)79 40012222  
**Email** nirav.shah@cgglobal.com

### Baroda (Satellite office)

10-A, Vrundavan Colony  
Near Harinagar Water Tank  
Gotri Road, Baroda 390 007  
Gujarat, India  
**Tel** +91 (0)265 2332460  
**Email** nirav.shah@cgglobal.com

### Rajkot (Satellite office)

405, Sudarshan Commercial Centre  
Limda Chowk  
Rajkot-360001  
Gujarat, India  
**Tel** +91 (0)79 40012211  
**Email** nirav.shah@cgglobal.com

### Indore

103-B, Apollo Trade Centre, 2B, Rajgarh Kothi  
Mumbai-Agra Road, Indore 452 001  
Madhya Pradesh, India  
**Tel** +91 (0)731 4232600  
**Fax** +91 (0)731 4232628  
**Email** sunil.mishra@cgglobal.com

### Jabalpur (Satellite office)

46, Napier Town, 1st Floor  
Ahuja Towers,  
Jabalpur-482001  
**Tel** +91 (0) 761 4043041  
**Email** sunil.mishra@cgglobal.com

### Pune

Premium Point Building, 4th floor,  
Opp Modern High School  
J M Road, Shivajinagar, Pune 411 005  
Maharashtra, India  
**Tel** +91 (0)20 25534675-77

### Kolhapur (Satellite office)

Office No.304, 3rd Floor, Matoshri Plaza,  
E Ward, Near Venus Corner, Shahupuri  
Kolhapur 416001  
**Tel** +91 (0)231 6612560  
**Email** ravikumar.chavadi@cgglobal.com

### Nagpur

3, West High Court Road, Lal Bahadur Shastri  
Chowk  
Dharampeth, Nagpur 440 010  
Maharashtra, India  
**Tel** +91 (0)712 6649741  
**Fax** +91 (0)712 2537196  
**Email** sarang.bodhankar@cgglobal.com

### Raipur

A 201, Crystal Arcade

Near Lodhi Para Square  
Shankar Nagar Road  
Raipur 492 007  
Chhattisgarh, India  
**Tel** +91 (0)771 4019201,4019202  
**Email** gajanan.wandhare@cgglobal.com

### Southern Region

#### Regional Head Office: Chennai

Crompton House-3, Dr. MGR Salai  
(Kodambakkam High Road)  
Nungambakkam, Chennai 600 034  
Tamil Nadu, India  
**Tel** +91 (0)44 42247500, 28235533,  
28257375, 42247575  
**Fax** +91 (0)44 28281596, 28231973  
**Email** rangarajan.sriram@cgglobal.com

#### Bangalore

J P Square, 3rd Floor  
17, 3rd Cross, 5th main  
Chamrajapet, Bangalore 560 018  
Karnataka, India  
**Email** ravichandran.kn@cgglobal.com

#### Cochin

46/3387, Cochin House, 1st Floor  
Arkakadavu Road, Vennala PO  
Cochin 682 028  
Kerala, India  
**Tel** +91 (0)484 2803860-61,  
2805862-63, 2807240  
**Fax** +91 (0)484 2808738  
**Email** sekar.s@cgglobal.com

#### Secunderabad

Minerva Complex, 4th floor  
94 Sarojini Devi Road  
Secunderabad 500 003  
Hyderabad, India  
**Tel** +91 (0)40 40002300, 40002347, 40002345  
**Fax** +91 (0)40 40002340  
**Email** ramaswamy.ns@cgglobal.com

#### Coimbatore

SF 219, Annamalai Industrial Park  
Kalapatti, Coimbatore- 641048  
Tamil Nadu, India  
**Tel** 0422- 3193101/102  
**Email** pulacode.venkatesh@cgglobal.com

### SERVICE CENTRES

#### Northern Region

##### New Delhi

3rd Floor, Express Building  
9-10, Bahadur Shah Zafar Marg

Near ITO Crossing  
New Delhi 110 002, India  
**Tel** +91 (0)11 23460700, 23460710,  
23460714  
**Fax** +91 (0)11 23324360, 23737617  
**Email** anil.kumar@cgglobal.com  
**Email** vineet.garg@cgglobal.com

#### Jaipur

Church Road, PO Box 173  
Jaipur 302 001  
Rajasthan, India  
**Tel** +91 (0)141 3018800, 3018806, 3018807  
**Fax** +91 (0)141 2365371  
**Email** amit.mehta@cgglobal.com  
**Email** suresh.avasthi@cgglobal.com  
**Email** abhishek.chauhan@cgglobal.com

#### Jalandhar

BXII 407, 2nd Floor  
Near BSF Chowk, Ladowali Road  
Jalandhar 144001, Punjab, India  
**Tel** +91 (0)181 3051301/95, 2225410  
**Fax** +91 (0)181 2226342  
**Email** kamal.goyal@cgglobal.com  
**Email** ajay.bhardwaj@cgglobal.com

#### Lucknow

Saran Chambers II, 3rd Floor  
5 Park Road, Lucknow 226 001  
Uttar Pradesh, India  
**Tel** +91 (0)522 4935757, 4935775, 4935750  
**Fax** +91 (0)522 4935758  
**Email** amit.mehta@cgglobal.com  
**Email** kamlesh.sinha@cgglobal.com

#### Eastern Region

##### Kolkata

21, RN Mukherjee Road, Kolkata 700 001  
West Bengal, India  
**Tel** +91 (0)33 22489160, 22488911  
**Fax** +91 (0)33 22489737  
**Email** subhash.ghosh@cgglobal.com  
**Email** mainak.das@cgglobal.com

#### Bhubaneshwar

Janpath Tower (Basement), Ashok Nagar  
Unit II, Bhubaneshwar 751 009  
Orissa, India  
**Tel** +91 (0)674 2531128, 2531429, 2531592  
**Fax** +91 (0)674 2531592  
**Email** samanta.raysingh@cgglobal.com

#### Patna

Vishwasadan, Behind Jeevan Deep Building  
East of Narmada Apartment, Exhibition Road

Patna 800 001  
Bihar, India  
**Tel** +91 (0)612 6453160/6453161  
**Email** mukul.kumar@cgglobal.com

#### Ranchi

3, Westend Park  
Kaju Bagan (Near DAV Junior School)  
Hehal, Ratu Road  
Ranchi 834 005  
Jharkhand, India  
**Tel** +91 (0)651 2512095  
**Email** binayak.biswal@cgglobal.com

#### Guwahati

SKC Logistics Private Limited  
G.S Road, Dispur, Near Car Ghar  
Guwahati 781005  
Assam, India  
**Tel** +91 8811094991  
**Email** debapratim.ghosh@cgglobal.com

#### Western Region

##### Mumbai

6th Floor, Nataraj Building,  
Near Western Express Highway  
Andheri (East), Mumbai-400069  
Maharashtra, India  
**Tel** +91 (0)22 61929400  
**Email** nitin.bhatt@cgglobal.com

##### Ahmedabad

909-916, Sakar II, Near Ellis Bridge  
Ahmedabad 380 006  
Gujarat, India  
**Tel** +91 (0)79 40012244, 40012201  
**Fax** +91 (0)79 40012222  
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##### Indore

103-B, Apollo Trade Centre, 1st Floor  
2B Rajgarh Kothi, Mumbai – Agra Road  
Indore 452 001  
Madhya Pradesh, India  
**Tel** +91 (0)731 4232607, 4232621  
**Fax** +91 (0)731 4065621  
**Email** mayank.shrivastava@cgglobal.com,  
vivek.guru@cgglobal.com

##### Pune

Premium Point Building, 4th floor  
Opp Modern High School, J M Road  
Shivajinagar, Pune 411 005  
Maharashtra, India  
**Tel** +91 (0)20 25534675-77  
**Email** amul.chhajed@cgglobal.com

#### Nagpur

3, West High Court Road, Lal Bahadur Shastri  
Chowk  
Dharampeth, Nagpur 440 010  
Maharashtra, India  
**Tel** +91 (0)712 6649746, 6649732  
**Fax** +91 (0)712 2537196  
**Email** vipin.sahu@cgglobal.com,  
**Email** raghu.yemlawar@cgglobal.com

#### Raipur

5, New Tilak Nagar, Besides Sai Care  
Hospital, Avanti Vihar  
Raipur 493 001  
Chhattisgarh, India  
**Tel** +91 (0)771 4019203  
**Email** shivkumar.raghuvanshi@cgglobal.com

#### Southern Region

##### Chennai

AG Enterprises, 37 NSK Salai, Vadapalani  
Chennai 600 026  
Tamil Nadu, India  
**Tel** +91 (0)44 23651369  
**Email** anand.rajan@cgglobal.com  
**Email** leo.selvaraj@cgglobal.com  
**Email** prakash.j@cgglobal.com

##### Bangalore

SS Agencies, No 20, New Timber Yard Layout  
Mysore Road, Bangalore 560 026  
Karnataka, India  
**Tel** +91 (0)80 26755727  
**Fax** +91 (0)80 26755723  
**Email** pulacode.venkatesh@cgglobal.com  
**Email** michael.aa@cgglobal.com  
**Email** k.nalan@cgglobal.com

##### Hyderabad

Sri Lakshmi Enterprises  
Plot No. B-12, Industrial Development Area  
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Andhra Pradesh, India  
**Tel** +91 (0)40 27207538, 27207539  
**Fax** +91 (0)40 27207539  
**Email** ramaswamy.ns@cgglobal.com  
**Email** d.venugopal@cgglobal.com

##### Cochin

Vilvam Associates  
Sahib Sons Warehouse  
2/141 B&C, Eloor North, Udyogamandal  
Cochin 683501  
Kerala, India  
**Tel** +91 9946999089  
**Email** ramesh.ag@cgglobal.com

**Email** amarnath.s@cgglobal.com

#### Coimbatore

Param Enterprises,  
658-664 Rajalakshmi Plaza,  
100 ft Road, Gandhipuram  
Coimbatore 641 012  
Tamil Nadu, India  
**Tel** +91 (0)422 2526453  
**Fax** +91 (0)422 2525334  
**Email** anand.rajan@cgglobal.com  
**Email** gopinath.sivagnanam@cgglobal.com  
**Email** shettu.paramasivam@cgglobal.com

#### Madurai

Excel Tyres & Agencies Pvt Ltd  
No 2, Mangayar Karasi College Road  
Paravai, Madurai 625 402  
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**Tel** +91 (0)452 2667771  
**Email** anand.rajan@cgglobal.com  
**Email** srinivasan.ramasamy@cgglobal.com

## Region EMEA

### CORPORATE OFFICES

#### CG Holdings Belgium NV

Registered Office  
Antwerpsesteenweg 167  
B-2800 Mechelen, Belgium  
**Tel** +32 15 283 333  
**Fax** +32 15 283 300

#### CG Electric Systems Hungary Zrt

Mariassy Street 7  
H-1095 Budapest, Hungary  
**Tel** +36 1 483 66 00  
**Fax** +36 1 266 66 13

#### CG Power Holdings Ireland Ltd

Registered Office  
Dublin Road, Cavan  
Ireland  
**Tel** +353 49 433 1588

#### CG Drives & Automation Sweden AB

Mörsaregatan 12  
Box 222 25  
SE-250 24 Helsingborg, Sweden  
**Tel** +46 42 16 99 00  
**Fax** +46 42 16 99 49

#### CG Automation ZIV Headquarters

ZIV Aplicaciones y Tecnología, S.L  
ZIV Grid Automation S.L  
Parque Tecnológico, 210



48170 Zamudio, Bizkaia, Espana  
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#### **ZIV Metering Solutions, SL**

Parque Tecnológico, 407  
48170 Zamudio, Bizkaia, Espana  
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#### **BUSINESS UNITS**

##### **CG Power Systems Belgium NV**

Distribution Transformer Division  
Power Transformer Division  
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**Tel** +32 15 283 333  
**Fax** +32 15 283 300

##### **CG Power Systems Ireland Ltd**

Distribution Transformer Division  
Dublin Road, Cavan, Ireland  
**Tel** +353 49 433 1588

##### **CG Power Systems Ireland Ltd**

Automation Systems Division  
Herbert House, Harmony Row  
Dublin 2  
Republic of Ireland  
**Tel** +353 1 415 3700  
**Fax** +353 1 678 7913

##### **CG Holdings Belgium NV**

Systems Division  
Antwerpsesteenweg 167  
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##### **CG Holdings Belgium NV**

Services Division  
Rue Vital Francoisse 220, BP 1581  
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##### **CG Services Systems France SAS**

Parc d'Activitee des Hautes Falaises  
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##### **CG Services Systems France**

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##### **CG Electric Systems Hungary Zrt**

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##### **CG Automation Systems UK Ltd**

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##### **CG Power Solutions UK Ltd**

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##### **CG Power Solutions UK**

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##### **CG Sales Networks France S.A.**

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##### **CG Middle East FZE**

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##### **CG Power Systems Belgium NV**

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## Region Americas

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#### **CG Power Systems USA Inc**

Power Transformer Division  
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Fax +1 636 239 9396

#### **CG Power Systems USA Inc.**

North American Services Division  
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#### **CG Power Systems Canada Inc**

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#### **CG Power Systems Canada Inc.**

North American Services Division  
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MB R3T 0L7, Canada

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### **SALES OFFICE**

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#### **CG Power Systems Canada**

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#### **CG Sales Network Americas Inc**

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#### **CG Power Solutions USA Inc**

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Fax +1 610 489 8253

#### **CG Power Solutions USA Inc**

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USA

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#### **CG Power Solutions USA Inc**

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MD 20874, USA

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Fax +1 518 452 7716

#### **CG Power Solutions USA Inc**

903 S Industry Way Suite B  
El Centro CA 92243, USA

Tel +1 518 452 7718  
Fax +1 518 452 7716

#### **CG Drives and Automation Latin America Inc.**

200 North Shore Drive  
Miami Beach, FL 33141, USA

Tel +1 305 573 0605

#### **CG Industrial Systems**

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Tel +1 314 922 6696

#### **CG Power Systems USA Inc**

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Tel 832-886-2840

Fax 832-886-2940

#### **CG Automation**

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Rolling Meadows, IL 60008, USA

#### **CG Automation**

1200-A Scottsville Road, Suite 470-C  
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Tel: +1 224 7353961

Fax: +1 224 7353962

## Region SEAP

### **MANUFACTURING PLANTS**

#### **PT CG Power Systems Indonesia**

Power Transformer Division  
Kawasan Industri Menara Permai Kav 10  
Jl. Raya Narogong, Cileungsi  
Bogor 16820, Indonesia

Tel +62 21 823 04 30/36, 3048 1270/76  
Fax +62 21 823 42 22

## **BUSINESS UNIT:**

### **CG International Holdings**

#### **Singapore Pte. Ltd.**

8, Temasek Boulevard  
#33-04/05 Suntec Tower Three  
Singapore 038988  
**Tel**+65 66532280  
**Fax** +65 66532281

## **SALES OFFICES:**

### **PT CG Power Systems Indonesia**

#### **Global Sales Network Indonesia & Systems Division**

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Jl. TB Simatupang Kav. 23-24  
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Indonesia  
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### **CG Power Systems**

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**M**+64 274 661040  
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### **CG Power Systems**

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Australia  
**M** +61 448 440733  
110 Unit 40, Inspiration Drive  
Wangara 6065, Perth WA  
Australia  
**M** +61 481 454 405

### **Crompton Greaves Sales**

#### **Network Malaysia Sdn. Bhd.**

Unit No B-1-21, Block B,  
Jalan Sungai Jernih 8/1  
Pusat Perniagaan Seksyen 8  
Petaling Jaya 46050, Malaysia  
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**M** : +60 135201938

### **CG Power Systems**

#### **Korea Office**

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### **CG Power Systems**

#### **Vietnam Office**

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### **CG Automation ZIV**

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**Fax** +65 6410 9631

### **CG Drives & Automation**

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Shanghai 200030, China  
**Tel** +86 21 6440 1635

# APPENDIX

**1. US\$1trillion - India's investment reserved for infrastructure during the 12th Five Year Plan (2012-17)**

**Source:** [http://indiaibusiness.nic.in/newdesign/index.php?param=industryservices\\_landing/367/2](http://indiaibusiness.nic.in/newdesign/index.php?param=industryservices_landing/367/2)

**2. Rs. 16,000cr estimated investment in Ultra Mega Power Projects. These are very large sized projects, approximately 4000 MW each.**

**Source:** [http://powermin.nic.in/upload/pdf/ultra\\_mega\\_project.pdf](http://powermin.nic.in/upload/pdf/ultra_mega_project.pdf)

**3. Rs. 185bn - approved outlay by the Government for creation of trunk infrastructure under DMIC projects.**

**Source:** <http://www.rediff.com/business/interview/dmic-project-will-be-delivered-on-schedule-amitabh-kant/20140102.htm>

**4. 5 National Industrial Corridors identified and planned.**

**Source:** <http://www.makeinindia.com/live-projects-industrial-corridor/>

**5. US\$224bn expected investment in the power sector during the 12th Plan (2012 - 2017).**

**Source:** <http://www.ibef.org/archives/detail/b3ZlcnZpZXcmMzY4MzlmOTew>

**6. 169000 MW of power capacity addition targetted by the Ministry of Power (GoI) during the 12th and 13th five year plan.**

**Source:** <http://www.ibef.org/archives/detail/b3ZlcnZpZXcmMzY4MzlmOTew>

**7. 316% expected increase in production of electrical equipment, a sharp rise from US\$ 24 bn in 2013 to US\$ 100 bn in 2022.**

**Source:** <http://www.makeinindia.com/sector/electrical-machinery/>

**8. 126650 MW - Total transfer capacity of the National Grid by March 2022. The current transfer capacity stands at 40050 MW.**

**Source:** [http://www.cea.nic.in/reports/powersystems/sppa/scm/allindia/minutes\\_meeting/minutes\\_all\\_3rd.pdf](http://www.cea.nic.in/reports/powersystems/sppa/scm/allindia/minutes_meeting/minutes_all_3rd.pdf)

**9. Rs. 7lakh crores total estimated investment requirement in 20 years to develop 100 Smart Cities across India.**

**Source:** [http://indiansmartcities.in/downloads/CONCEPT\\_NOTE\\_-3.12.2014\\_\\_REVISED\\_AND\\_LATEST\\_.pdf](http://indiansmartcities.in/downloads/CONCEPT_NOTE_-3.12.2014__REVISED_AND_LATEST_.pdf)

**10. US\$100bn investment planned by DMICDC (Delhi Mumbai Industrial Corridor Development Corporation Limited) to**

**set up seven smart cities along the 1500 km industrial corridor across 6 states**

**Source:** <http://www.credai.org/sites/default/files/Conclave-2014-Report-smart-cities.pdf>

**11. Rs. 980cr total outlay for National Smart Grid Mission (NSGM) activities for 12th Plan (2012 - 17).**

**Source:** <http://pib.nic.in/newsite/PrintRelease.aspx?relid=121331>

**12. 130mn smart meters to be deployed in India by 2021 under the Smart Cities scheme.**

**Source:** <http://www.smartcitiesindia.com/Smart-Energy.aspx>

**13. US\$3bn to be spent by the Indian Railways on procurement/manufacture of rolling stock which includes Transformers, Traction Converter, Traction Motors, Alternators, Aux. converter, TCMS, Aux. motors, Stamping for motors, Aux. alternators, AC coach inverters, Carriage fan, Pumps/Fan/Blower motors, etc.**

**Source:** <http://in.reuters.com/article/2015/02/25/india-railway-budget-idINKBN0LT0K020150225>

**14. Rs. 250bn - Opportunities to avail defence offset obligations during the next 7-8 years.**

**Source:** <http://www.makeinindia.com/sector/defence-manufacturing/>

**15. Rs. 45000cr to be spent by the Indian Oil Corporation, the country's largest refiner and fuel retailer, over three years to build petrochemical plants and LNG terminals, lay pipelines and upgrade its refineries.**

**Source:** <http://www.ibef.org/news/indian-oil-corporation-to-set-petrochemical-plants>

**16. Rs. 1.5lakh crore planned spends till 2030-31 by the Steel Authority of India (SAIL) to increase its capacity to 50 million tonnes (MT) from 23 MT. The investment would encompass new projects as well as expansion of existing one. India has set an output target of 300 MT of steel by 2025.**

**Source:** <http://www.ibef.org/news/sail-plans-to-invest-rs-1-5-lakh-crore-to-ramp-up-capacity>

**Others**

[http://www.mckinsey.com/insights/urbanization/urban\\_awakening\\_in\\_india](http://www.mckinsey.com/insights/urbanization/urban_awakening_in_india)  
[http://www.dataforall.org/dashboard/censusinfoindia\\_pca/](http://www.dataforall.org/dashboard/censusinfoindia_pca/)

<http://www.makeinindia.com/sector/thermal-power/>  
[https://en.wikipedia.org/wiki/Dedicated\\_Freight\\_Corridor\\_Corporation\\_of\\_India](https://en.wikipedia.org/wiki/Dedicated_Freight_Corridor_Corporation_of_India)  
<http://delhimumbaiindustrialcorridor.com/>

**Disclaimer: The information has been collected from external sources and CG is not responsible for any errors in the same.**





















PLEASE NOTE: The Venue for the Meeting will be Ravindra Natya Mandir (Prabhadevi).

## CROMPTON GREAVES LIMITED

(CIN : L99999MH1937PLC002641)

Registered Office:

6<sup>th</sup> Floor, CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.

Email: investorservices@cgglobal.com, Website: www.cgglobal.com

Phone: +91 22 24237777, Fax: +91 22 24237733

### NOTICE

NOTICE is hereby given that the Seventy Eighth Annual General Meeting of the Members of CROMPTON GREAVES LIMITED will be held on Friday, 24 July 2015, at 3.00 p.m. at **Ravindra Natya Mandir**, Sayani Road, Prabhadevi, Mumbai – 400 025 to transact the following business :

#### ORDINARY BUSINESS :

##### Adoption of Financial Statements

1. To consider and adopt :

- (a) the audited Financial Statements of the Company for the financial year ended 31 March 2015, the reports of the Board of Directors and Auditors thereon;
- (b) the audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2015.

##### Confirmation of Dividends

2. To confirm the first and second interim dividends, aggregating to Rs. 0.80 per share (40%).

##### Re-appointment of Director retiring by Rotation

3. To appoint a Director in place of Mr Gautam Thapar (DIN 00012289), who retires by rotation and being eligible, offers himself for re-appointment.

##### Appointment of Auditors

4. To appoint Sharp & Tannan, Chartered Accountants, Registration No 109982W, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

#### SPECIAL BUSINESS :

##### Ratification of Remuneration to Cost Auditor

5. To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013, and Companies (Audit and Auditors) Rules, 2014, a remuneration of Rs. 8.05 lac plus taxes as applicable and reimbursement of out-of pocket expenses for the financial year ending 31 March 2016, to be paid to Messrs. Ashwin Solanki & Co., Cost Accountants as approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.”

##### Adoption of new Articles of Association

6. To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the

time being in force), the new regulations contained in the Articles of Association be and are hereby approved and adopted in substitution to the entire regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### **Commission to Non-Executive Directors**

7. To consider, and if thought fit, to pass the following resolution as a **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections 197,198 and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company (i.e. Directors other than Managing Director and/or the Wholetime Directors) be paid, remuneration in such amounts or proportions and in such manner and in all respects as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company per annum, for each financial year commencing from 1 April 2015, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### **NOTES :**

(a) **Proxies :**

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting. A person can act as a proxy on behalf of members not more than 50 or such number of members holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

(b) **Explanatory Statement :**

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 to 7 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of Mr Gautam Thapar seeking re-appointment as Director under Item No. 3 of the Notice, is also annexed.

(c) **Book Closure :**

The register of Members and share transfer books of the Company shall remain closed from Saturday, 18 July 2015, to Friday, 24 July 2015, both days inclusive.

(d) **Unclaimed Dividends :**

In terms of the provisions of Section 205A and Section 205C of the Companies Act, 1956, dividends for financial years prior to 2008-2009, which have remained unclaimed, have been transferred to the Investor Education and Protection Fund and General Revenue Account of the Central Government, as applicable. Dividends pertaining to the financial years 2008-2009 to 2014-2015 which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund. Members who have, till date, not encashed their dividend warrants for these years can claim the dividend from the Company.

In May/June every year, the Company sends reminders to Shareholders who have not claimed their dividends to collect their unclaimed dividend amounts. Shareholders can also view the status of their unclaimed dividend at Investor Access web portal available on the CG website [www.cgglobal.com](http://www.cgglobal.com).



(e) ***Sending Notice and Annual Report through electronic means :***

- (i) Electronic copy of the Annual Report for 2014-2015 and Notice of the 78<sup>th</sup> Annual General Meeting of the Company are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode.
- (ii) Members may also note that the Notice of the 78<sup>th</sup> Annual General Meeting and the Annual Report for financial year 2014-2015 will also be available on the Company's website [www.cggglobal.com](http://www.cggglobal.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: [investorservices@cggglobal.com](mailto:investorservices@cggglobal.com).

(f) ***Electronic voting :***

In accordance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the business at the General Meeting may be transacted through electronic voting system. The Company is providing a facility for voting by electronic means ("e-voting") to its members holding shares in physical or dematerialized form, as on the cut-off date, being Friday, 17 July 2015. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities. Instructions for e-voting are indicated in the e-voting procedure accompanying the Notice.

Members may also note that the facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Any person becoming the member of the Company after the dispatch of Notice of the Meeting and holding shares as on the cut-off date i.e., 17 July 2015, may obtain the user ID and password by referring to the e-voting instructions in the notice which is available on the Company's website [www.cggglobal.com](http://www.cggglobal.com) and the website of CDSL [www.cdslindia.com](http://www.cdslindia.com).

(g) ***Share Registrar & Transfer Agent :***

The Company's Share Registrar & Transfer Agent is **Datamatics Financial Services Limited (DFSL)** located at Plot No B-5, Part B Crosslane, MIDC Marol, Andheri (East), Mumbai 400 093. Contact details of DFSL are provided in the Corporate Governance Report.

(h) ***Investors Services Department :***

In addition to the Share Registrar & Transfer Agent, our Investor Services Department, which is located at the Company's Corporate Office at 10<sup>th</sup> floor, CG House, Dr. Annie Besant Road, Worli, Mumbai - 400 030, will be happy to assist in case investors experience any difficulties in their interactions with DFSL.

The Investor Services Department remains open to shareholders from 2.00 p.m. to 5.00 p.m., Monday to Friday. The telephone number is (022) 24237805; email address is [shirish.athalekar@cgglobal.com](mailto:shirish.athalekar@cgglobal.com). In order to enable us to provide you with more effective service, we would appreciate if you could call our Investor Services Department during these hours only.

By Order of the Board

**Minal Bhosale**  
Company Secretary

Mumbai, 28 May 2015

## **ANNEXURE TO THE NOTICE**

### **Profile of Director being re-appointed as required under Clause 49 of the Listing Agreement for Item no. 3 mentioned in the Notice:**

Mr Gautam Thapar is the founder and Chairman of Avantha Group which operates in more than 90 countries with 25,000 employees and has business interests in diverse areas, including pulp and paper, power transmission and distribution equipment and services, food processing, energy, infrastructure, information technology (IT) and IT-enabled services, glass containers and life insurance.

An alumnus of the prestigious Doon School, Mr Thapar completed his Chemical Engineering from USA and has 29 years of industrial experience. Mr Thapar is the Chairman of the Board of Directors of Crompton Greaves Limited, Member of its Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Chairman of its Stakeholders' Relationship Committee.

He is a Director on the Boards of various companies, namely Ballarpur Industries Limited, BILT Paper BV, Avantha Business Solutions Limited, Avantha Holdings Limited, Avantha Realty Limited, Global Green Company Limited, Asahi India Glass Limited, JG Containers (Malaysia) Sdn. Bhd., Lavasa Corporation Limited, Sohna Stud Farm Private Limited, Compass Ltd. (Holding Company of Bata International Ltd.), Avantha ERGO Life Insurance Company Limited and Bilt Tree Tech Limited. He is a Member of the Stakeholders' Relationship Committee of Ballarpur Industries Limited and of the Audit Committee of Asahi India Glass Limited.

Mr Thapar is widely recognized for his thought leadership, and was appointed Member of the former National Security Advisory Board. Mr Thapar takes his social responsibilities seriously; this is manifested in his involvement across three sectors: education, leadership development and sports. He is President of Thapar University, Chairman of the Board of Governors- National Institute of Industrial Engineering (NITIE), Chairman of the CII-Avantha Center for Competitiveness for SMEs and Past President of All India Management Association (AIMA). He was awarded AIMA Honorary Life Fellowship in 2013. A former Chairman of The Ananta Aspen Centre, he is President of the Professional Golf Tour of India (PGTI). In 2013, King's College, London conferred an Honorary Fellowship in recognition of Mr Thapar's 'exceptional achievements in the fields of industry and philanthropy'.

Mr Thapar does not hold any shares in the Company either in his individual capacity, or beneficially for others. However, he exercises control over the Promoter Group holding, aggregating to 21,54,51,070 equity shares, constituting approximately 34.38 percent of the total shareholding of the Company. He does not have any relationship with any of the other Directors on the Board.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item no. 5**

The Board, on the recommendation of the Risk and Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March 2016.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors needs to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2016.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

### **Item no. 6**

Substantial regulations in the existing Articles of Association are based on the Companies Act, 1956. The Company had, in the previous Annual General Meeting, obtained approval of the shareholders to align the restrictive provisions contained in the Articles of Association with the Companies Act, 2013.

Since the Companies Act, 2013, is now largely in force, several regulations contained in the existing articles require alteration and some of the regulations require deletion, being superfluous to the new provisions of the Companies Act, 2013. Hence, it is considered expedient to replace the existing Articles with new Articles of Association as proposed in the resolution at Item no. 6.

The Resolution at Item no. 6 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013. The Board of Directors recommends adoption of new Articles of Association of the Company.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

**Item no. 7**

At the Annual General Meeting held on 19 July 2010, the members had accorded approval for payment of commission to the Non-Executive Directors of the Company for a period of five (5) years commencing from 1 April 2010, wherein the members had authorized the Board of Directors to determine the amount of commission payable to the Non-Executive Directors of the Company in the aggregate upto 1% of the Company's net profits, for a period of five years commencing from 1 April 2010.

Since the five year period prescribed under the resolution has elapsed, a fresh approval on the resolution is sought upon the same parameters.

Hence, it is proposed to pay remuneration to the Non-Executive Directors of the Company in the aggregate, upto 1% of the net profits of the Company for each financial year, calculated in accordance with the provisions of the Companies Act, 2013, subject to the members' approval.

The aforesaid remuneration is exclusive of any fees payable to the Directors by way of fee for attending meetings of the Board or Committee thereof and reimbursement of expenses for participating in these meetings.

None of the Directors, Key Managerial Personnel or their relatives except the Non-Executive Directors and their relatives are in any way concerned or interested in this resolution.

By Order of the Board

Mumbai, 28 May 2015

**Minal Bhosale**  
*Company Secretary*

Date: 28 May 2015

Dear Shareholder,

**Sub: Registration of email address**

In terms of Rule 18 (3) of the Companies (Management and Administration) Rules, 2014, we request the shareholders of Crompton Greaves Ltd., who have till date not registered their e-mail id(s) with the Company, to register their e-mail id(s) in order to receive the Notices of future Annual General Meetings and Annual Report of the Company in electronic form. This will also facilitate sending any other communications to shareholders, in electronic form.

We, therefore request you to fill up the registration form below and send it to Company's Share Registrar & Transfer Agent, Datamatics Financial Services Limited (DFSL) at Plot No B-5, Part B Crosslane, MIDC Marol, Andheri (East), Mumbai 400 093 for registering your email address.

Shareholders who hold shares in Demat form are requested to approach concerned Depository Participant for updating / modifying the e-mail id(s) as the case may be.

For Crompton Greaves Limited

**Minal Bhosale**  
Company Secretary

**EMAIL REGISTRATION FORM**

To\* :

The Company (for members holding shares in Physical mode)

The Depository Participants (for members holding shares in Demat mode)

**Sub: Registration of email address (Crompton Greaves Limited)**

I/We would like to receive Notices, Annual Reports and other communications / documents from Company in electronic mode. I / We request you to register my / our email address for receiving communications / documents electronically as per the following details:

Name of the Shareholder(s)	
Folio No. / DP ID / Client ID	
Email address	
Mobile No	

Date:

Place:

Signature of the Shareholder(s)\*\*

\* Please tick as applicable.

\*\* Please ensure that the form is signed by the registered shareholder himself, alongwith joint shareholders, if any.



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### CROMPTON GREAVES LIMITED

(CIN : L99999MH1937PLC002641)

Registered Office : 6<sup>th</sup> Floor, CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.

Email: investorservices@cgglobal.com, Website: www.cgglobal.com

Phone: +91 22 24237777, Fax: +91 22 24237733

#### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (In Block Letters)	Member's folio No. ....
	DP. ID No*.....
	Client ID No.*.....
Name of the Proxy (In Block Letters) (to be filled if the Proxy attends instead of the Member)	

No. of Shares held .....

I hereby record my presence at the 78<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 24 July 2015, at 3.00 p.m. at Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400 025.

\* Applicable for investors holding shares in electronic form.

.....  
Member's/Proxy Signature



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### CROMPTON GREAVES LIMITED

(CIN : L99999MH1937PLC002641)

Registered Office : 6<sup>th</sup> Floor, CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.

Email: investorservices@cgglobal.com, Website: www.cgglobal.com

Phone: +91 22 24237777, Fax: +91 22 24237733

#### PROXY FORM

Name of the member(s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

- Name: ..... Address: .....  
E-mail ID: ..... Signature: ..... or failing him;
- Name: ..... Address: .....  
E-mail ID: ..... Signature: ..... or failing him;
- Name: ..... Address: .....  
E-mail ID: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 78<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, 24 July 2015, at 3.00 p.m. at Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*	
		For	Against
1	Consider and adopt :		
	a) Audited Financial Statements, Reports of the Board of Directors and Auditors		
	b) Audited Consolidated Financial Statements		
2	Confirmation of Dividends		
3	Re-appointment of Director retiring by Rotation		
4	Appointment of Auditors		
5	Ratification of Remuneration to Cost Auditor		
6	Adoption of new Articles of Association		
7	Commission to Non-Executive Directors		

Signed this..... day of..... 2015      Signature of shareholder \_\_\_\_\_

\_\_\_\_\_  
Signature of first proxyholder

\_\_\_\_\_  
Signature of second proxyholder

\_\_\_\_\_  
Signature of third proxyholder

Affix Revenue Stamp
---------------------------

**NOTES:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 78<sup>th</sup> Annual General Meeting.
3. Please complete all details of member(s) in above box before submission.

\* It is optional to put an "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Name & Registered Address of  
the Sole/First named Member :

Name(s) of the Joint Member(s)  
if any :

Registered Folio No. / DP ID  
No.\*/ Client ID No.\* :

(\*Applicable to investors holding  
shares in dematerialised form)

Dear Member,

**Sub : E-voting procedure**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Crompton Greaves Limited (the Company) is offering e-voting facility to its Members in respect of the business to be transacted at the Annual General Meeting of the Company to be held on Friday, 24 July 2015, at 3.00 pm at Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai – 400 025.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facilities. The e-voting facility is available at [www.evotingindia.com](http://www.evotingindia.com).

<b>Sequence No:</b> (applicable wherein PAN is not updated with the Company / Depository Participant	
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Please read the instructions printed below before exercising the vote. This communication forms an integral part of the Notice dated Thursday, 28 May 2015, for the 78<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 24 July 2015.

**COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS**

1. The e-voting period will commence on Monday, 20 July 2015, at 11.00 am IST and ends on Thursday, 23 July 2015, at 5.00 pm IST.
2. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as of the cut-off date of the e-voting i.e., Friday, 17 July 2015, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.
3. Mr. PN Parikh of M/s Parikh & Associates, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process.
4. In case Members have any queries or issues regarding e-voting, they may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## E-VOTING PROCESS

1. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “Shareholders” tab.
3. Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID. Members holding shares in Physical Form should enter Folio Number registered with the Company. Then the Captcha Code as displayed and Click on Login.
4. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password must be used. If you are a first time user follow the steps given below.
5. Fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\* Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number as mentioned overleaf.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or the Company, please enter the Member ID / folio number in the Dividend Bank details field as mentioned in instruction 4.

6. After entering these details appropriately, click on “SUBMIT” tab.
7. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
9. Click on the relevant EVSN on which you choose to vote.
10. On the voting page, you will see Resolution Description and against the same the options “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
11. Click on the “Resolutions File Link” if you wish to view the entire Resolution.
12. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
13. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
15. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code, click on Forgot Password & enter the details as prompted by the system.
16. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporate. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



# Crompton Greaves Limited

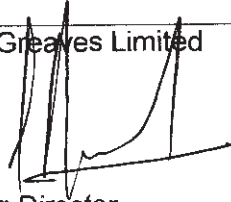


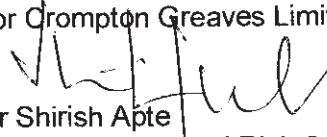
Registered Office:  
CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India  
T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgglobal.com  
Corporate Identity Number(CIN): L99999MH1937PLC002641



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## FORM A

### **Format of covering letter of the annual audit report to be filed with the Stock Exchanges**

1	Name of the Company	Crompton Greaves Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Observation	Un-qualified
4	Frequency of Observation	NA
5	CEO/Managing Director	For Crompton Greaves Limited  L Demortier CEO/Managing Director
6	Chief Financial Officer	For Crompton Greaves Limited  M Acharya Chief Financial Officer
7	Auditor of the company	For Sharp & Tannan  Milind Phadke Partner
8	Audit Committee Chairman	For Crompton Greaves Limited  Mr Shirish Apte Chairman Audit and Risk Committee